CITY OF BEDFORD

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025

City of Bedford, Texas

City of Bedford, Texas

Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2025

Prepared By City of Bedford Finance Department

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Introductory Section

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CITY of BEDFORD

2000 FOREST RIDGE DRIVE, BEDFORD, TEXAS 76021-1895

March 24, 2026

To the Honorable Mayor, Members of the City Council and Citizens of Bedford:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Bedford, Texas (City), for the fiscal year ended September 30, 2025. This report was prepared through the cooperative effort of the Administrative Services Department and the City's independent auditor. The purpose of this report is to provide the City Council, staff, citizens, and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and §2.20 of the City Charter. The ACFR consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the City. We believe the data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and all disclosures necessary have been included to enable the reader to gain the maximum understanding of the City's financial affairs.

The ACFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, organizational chart and a list of principal officials. The financial section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, combining and individual fund statements and schedules. The statistical section includes a variety of financial and demographic information presented on a multiyear basis that is relevant to a financial statement reader. The financial section is prepared in accordance with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB).

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

INDEPENDENT AUDIT

The City of Bedford's financial statements have been audited by Weaver and Tidwell L.L.P, a firm of licensed certified public accountants. The goal of an independent auditor is to provide reasonable assurance that the financial statements of the City of Bedford, for the fiscal year ended September 30, 2025, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Bedford's financial statements for the fiscal year ending September 30, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

CITY PROFILE

The City of Bedford is a predominately residential community located in Tarrant County, near several major transportation links between Dallas and Fort Worth. It is part of the "Metroplex" of North Central Texas, which includes the cities of Dallas and Fort Worth. The City of Bedford is bordered on the east and south by the City of Euless, on the west by the City of Hurst and on the north by the City of Colleyville. Bedford lies approximately five miles from the Dallas/Fort Worth International Airport, 12 miles from downtown Fort Worth and 20 miles from downtown Dallas There are three State Highways (183, 121, 157) and two Interstate Highways (35, 30) serving the City with the nearest Interstate located six miles away. The City was incorporated in 1953 under the general laws of the state of Texas and the voters approved the current charter in 1966. The City is a home rule city and operates

under the Council/Manager form of government. The City Council is composed of a mayor and six council members elected at large every three years.

Services provided by the City under the general governmental functions include police and fire protection, emergency medical services, planning and zoning, code enforcement and inspections, street maintenance, parks, recreation, library and senior citizen services. Water and sewer services are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt. Drainage maintenance services are also provided under the enterprise fund concept, implemented in 1991 in accordance with amendments to Title 13 of the Texas Local Government Code.

The water supply for the City of Bedford is provided by the Trinity River Authority (TRA), which provides treated water to Bedford, Euless, Colleyville, Grapevine and North Richland Hills pursuant to separate, but similar contracts dated January 21, 1972, and April 25, 1979. In October 1973 the Trinity River Authority (Central Regional Wastewater System) entered into a 50-year contract with numerous cities in the Metroplex, including the City of Bedford for construction of a wastewater treatment plant to service all contracting parties. The original 50-year duration of the contract is automatically extended through the latest maturity of any TRA outstanding debt issues.

The City of Bedford Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as a Special Revenue Fund as if it were part of the primary government because its sole purpose is to operate, maintain and finance the costs of the City's street improvements using sales taxes collected under Section 4B of the Development Corporation Act of 1979.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements should be considered from the broad perspective of the specific environment within which the City operates.

In recent years, the City of Bedford, located in the heart of the Dallas/Fort Worth Metropolitan area (DFW), has experienced moderate population growth. The North Central Texas Council of Governments estimates the City's population for 2025 at 49,941, which is 1.58% increase over the 2016 population of 49,151.

Multiple light manufacturing firms are in Bedford, as well as a variety of commercial establishments, restaurants, health care facilities, retail stores, shops and food stores. Several of the retail shopping centers in the City are undergoing renovation and expansion. Undeveloped property accounts for approximately 2.0% of the total area in the City.

The City is not financially dependent upon any one industry, or type of industry. The City recognizes the value of commercial development to its economic base and continues to encourage commercial growth that will be beneficial to the community. Sales tax did flatten this year. The City experienced a slight increase over the prior year; $100,582 or .61%.

As a policy, the City Council has set certain economic goals that are intended to attract high quality, visually appealing businesses, as well as revitalize and invest in areas that have seen some deterioration of economic activity. By emphasizing the need to be more business friendly, the goals of the City Council seek to provide general direction for future land use plans and decisions for the City.

Current longer range financial planning primarily revolves around several major water/sewer system infrastructure projects as well as significant improvements to our drainage system. In addition, as the City is approximately 98% built out, significant planning initiatives are being considered to provide for re-development of certain aging corridors within the City.

A few years ago, the City witnessed the widening of State Highway 183 (Airport Freeway), which runs eastbound/westbound through the center of town. During this period, Bedford officials were highly successful in retaining existing businesses while recruiting new ones to the newly expanded highway corridor. In addition, the City is working diligently with property owners to maximize development opportunities because of the expansion. This includes creating incentive agreements between the City and the business community that create jobs, enhance the tax base and secure revenue resources for the City.

To the extent that operations result in surplus funds, we will continue to fund various capital needs of a one-time nature from the surplus rather than issuing unnecessary debt.

ECONOMIC DEVELOPMENT

This past year, the City issued certificates of occupancies for Andy's Frozen Custard, Bojangles, Helium Balloons of Texas, LLC and many more.

Catalytic Development Projects

In December 2021, the City purchased an approximately 18.5-acre tract of land at Airport Freeway and N. Industrial Blvd., at the eastern entrance into the City. Since that time, the City has been working closely with a private developer to bring a new mixed-use project to the site, which will include a David Weekly Townhome development strategically placing 106 townhomes around the perimeter of the site, as well as approximately 60,000 square feet of grocery, retail, and restaurant space. The commercial portion of the development will incorporate outdoor restaurant seating that overlooks about an acre of open space, meant for gatherings and small events, with paths connecting the businesses to the townhomes. Council has approved all entitlements and work is underway on the public infrastructure to accommodate both the commercial and residential portions of the development. It is expected that infrastructure construction should be completed by May 2026. Soon after that David Weekly will begin construction of the two-story townhomes advertised to begin at $450,000 in price. The commercial portion of Gateway Village will be anchored with a Sprouts Farmers Market Grocery Store expected to open in late 2026 or early 2027. The remainder of the retail square footage is currently being marketed by StreetLevel, at this time we know two of its users will be Nothing Bundt Cakes and a Chipotle Restaurant will also be located in Gateway Village. In its current form, the project's estimated $25 million property value and $18 million in sales revenues, will generate over $500,000 in new revenue to the city annually.

Another significant planned mixed-use development is Bedford Commons, 30-acre Commons, located in the heart of the community, with the goal of containing destination-driven restaurants, retail, and office, along with amenity spaces to serve as community open space. The City has worked with Midway Development Group to determine the best uses and layout and is in discussion with a potential home builder to include approximately 80 single-family lot subdivision to bring more roof-tops to the area. Bedford Commons has an established Tax Increment Reinvestment Zone (known as a "TIRZ") in place. In addition, in 2025 the city completed the expansion of Parkwood Drive, located on the eastern boundary of Bedford Commons.

Residential Development

While Bedford is largely built out from a residential perspective, the development of new single-family projects has continued through the redevelopment of larger lot properties. The infrastructure for Grace Park Subdivision, located in the northeastern quadrant of the city was completed in the Summer of 2025 and 14 of the 42 single family homes are under construction with construction values greater than $550,000. Parkwood Townhomes, located off of Harwood Road in the southeastern quadrant of the city containing 72-townhomes, a community pool and multiple open spaces is nearing completion and should start occupying late in the 1st Quarter of 2026. Amherst Townhomes located in the northwestern area of the city which includes 20-townhomes is finishing up construction as well. Homes in Oakwood Hills (53-single-family homes) are also still under construction, with construction values averaging $450,000 a home. Additional residential infill development is expected to continue, as greenfield land remains extremely limited in the Mid-Cities area.

Light Industrial Development

Since 2022, Bedford has seen an increase in demand for light industrial uses. In 2022, CenterPoint Properties completed construction of a new speculative 181,250-square foot Class A warehouse distribution center, which was fully occupied by the end of the first quarter in 2025. Since that time the city has been approached by similar type of users and late 2025, Council approved entitlements for two additional warehouse/distribution centers with a total square footage of over 100,000 which is scheduled to break ground by end of 3rd Quarter 2026. It is also expected that in 2026, Council will consider another similar development possibly adding another 300,000 square feet of distribution warehouses.

Tax Abatement Agreements

During the fiscal year ended September 30, 2025, the City entered into/maintained tax abatement agreements with eight entities for the purpose of economic development and infrastructure improvement. Under these agreements, property taxes refunded totaled $41,484, sales tax refunded totaled $18,114 and infrastructure improvements refunded totaled $100,000. These abatements are authorized under Chapter 380 of the Texas Local Government Code. The goal of these agreements is to stimulate commercial investment in the City.

MAJOR INFRASTRUCTURE PROJECTS

The City of Bedford continues to advance its long-term commitment to maintaining and improving critical infrastructure through coordinated capital investment, strategic planning and ongoing system maintenance. City staff oversee project delivery, manage construction activities, coordinate with contractors and franchise utilities and ensure infrastructure improvements align with community needs and adopted standards.

Utility construction remains ongoing along Bedford Road and Brown Trail, where phased replacement of aging water and sanitary sewer infrastructure continues to support the City's commercial corridors and future roadway improvements. These investments enhance system reliability, reduce long term maintenance needs and support reinvestment in the area.

The Parkwood Drive reconstruction is a key infrastructure project supporting Bedford Commons, which has reached substantial completion. The roadway, underground drainage, water and sanitary sewer improvements are complete with only the sidewalk construction remaining. Upon full completion, Parkwood Drive will provide a modern two lane concrete roadway with curb and gutter, underground drainage, on street parking, landscaping and pedestrian facilities that establish the framework for the City's premier mixed-use destination.

Construction of the Gregory and Bedford Court Addition is anticipated to begin in the first quarter of 2026. The project consists of full street reconstruction, replacement of deteriorated sanitary sewer lines and new curb and gutter. The project encompasses approximately 2.1 lane miles of street improvements.

The Brown Trail project involves roadway reconstruction from Bedford Road to West Pipeline Road and is currently under design. Construction is anticipated later this year. Improvements include reconfiguring the roadways within the right of way to better accommodate traffic movements, including through lanes and center turn lane, as well as curb and gutter and sidewalks where feasible.

In addition to active construction, the City is nearing completion of a comprehensive city-wide drainage master plan, which evaluates stormwater infrastructure, drainageways and channel throughout Bedford. The study is anticipated to be finalized and adopted in 2026 and will guide the prioritization and funding of future stormwater projects with the Capital Improvement Program.

Beyond major capital projects, City staff continue to support infrastructure needs through ongoing maintenance and rehabilitation efforts, including sidewalks, curb, gutter, ADA ramps and concrete panel repairs across the community. These efforts help ensure safe, accessible and reliable infrastructure.

The City also remains focused on environmental compliance and public outreach. Staff ensure compliance with TCEQ and EPA requirements while promoting water conservation and educating the community on fats, oils and grease (FOG) management to protect public infrastructure.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City's proprietary funds are maintained on an accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. We believe the City's internal control structure is adequate to safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The budgetary process begins each year with the preparation of revenue estimates by the City's Administrative Services staff and expenditure estimates by each City department. Estimates are reviewed by the City Manager and evaluated within the total financial framework. Budget proposals are recommended by the City Manager and reviewed extensively by the City Council, a process that includes a public hearing. After the conclusion of the public hearing, the City Council may make changes as deemed appropriate. The budget is then adopted by ordinance, which also adopts the tax rate.

In addition, the annual budget also contains a capital improvement program which may be revised and extended each year to indicate capital improvements pending or in process of construction or acquisition. The capital program includes a list of all capital improvements that are planned during the upcoming five fiscal years, cost estimates, time schedules and methods of financing for each improvement.

All eligible property within the City is subject to assessment, levy, and collection of a continuing, direct ad valorem tax sufficient to provide for the payment of principal and interest on outstanding bonds within the limits prescribed by law, and the payment of operation and maintenance costs as approved by the City Council. Under state law, the City is limited to a maximum tax rate of $2.50 per $100 assessed valuation. In addition, the City's home rule charter limits the tax rate to a maximum of $1.50 per $100 assessed valuation.

Purpose	FY 2024-2025	FY 2023-2024	FY 2022-2023	FY 2021-2022
Maintenance & Operations	$0.357859	$0.351831	$0.367497	$0.386990
Interest & Sinking (Debt Service)	0.137867	0.143895	0.128229	0.16501
Total Tax Rate	$0.495726	$0.495726	$0.495726	$0.552000

The appraisal of property within the City is the responsibility of the Tarrant Appraisal District (TAD). The City of Bedford and other taxing jurisdictions in Tarrant County provide a pro rata share of the budgeted expenditures incurred by TAD based upon individual levy. The City contracts with the Tarrant County Tax Office for tax billing and collection services.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bedford for its Annual Comprehensive Financial Report (ACFR) for fiscal year ended September 30, 2024. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement a government unit must publish an easily readable and efficiently organized ACFR with contents that conform to program standards. In addition, an award-winning ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the 29th consecutive year the City of Bedford has received the Certificate of Achievement. We believe our current report continues to meet the Certificate of Achievement program requirements and we are submitting it to GFOA for their consideration.

ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Administrative Services Department. We would like to express our appreciation for assistance provided by our auditors, Weaver and Tidwell, L.L.P. Appreciation is also expressed to the City employees throughout the organization, especially those responsible for the maintenance of records upon which this report is based. The administrative and finance staff also wish to commend and thank the Mayor and the members of the City Council for their leadership and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

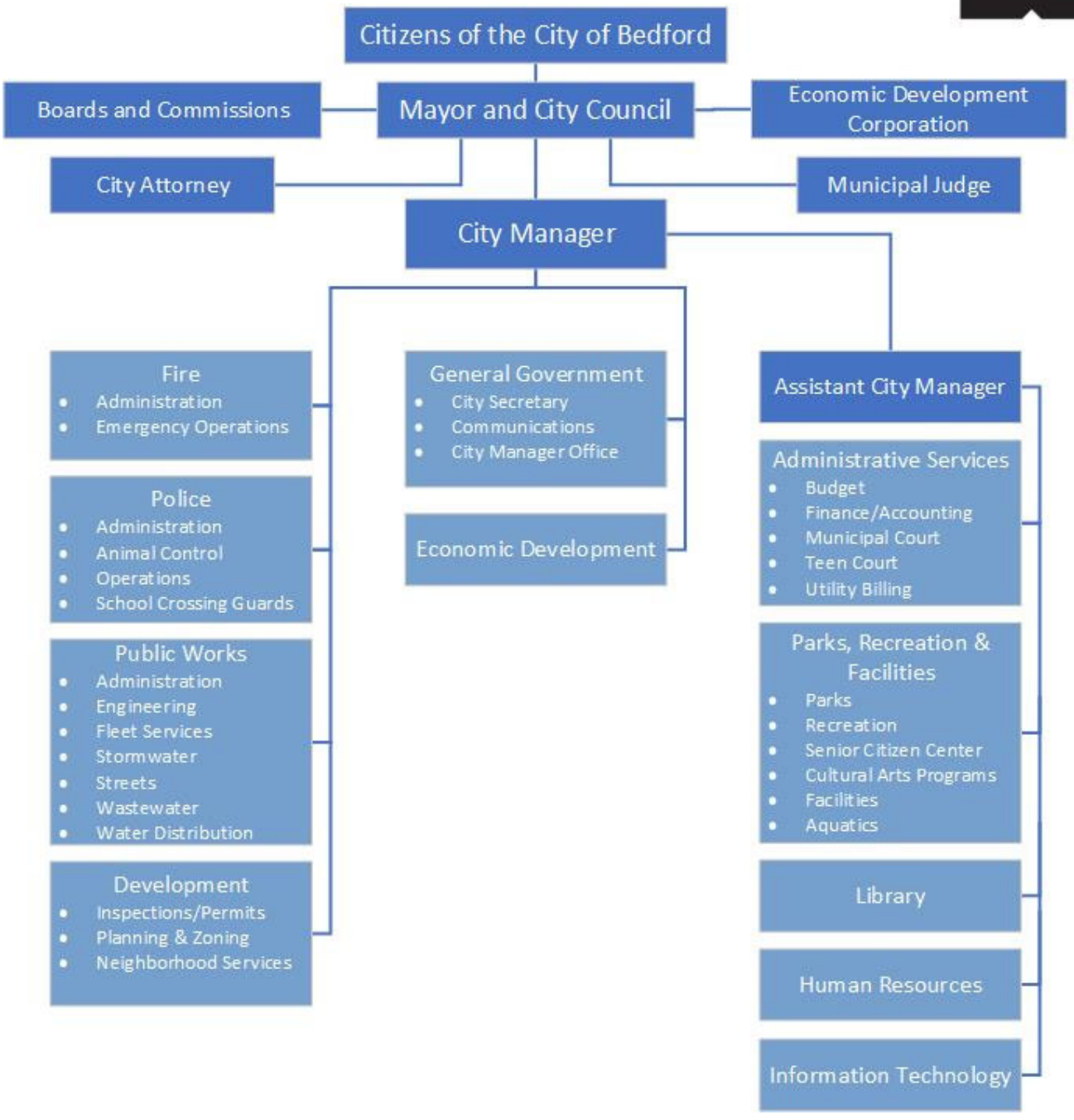
Respectfully submitted,

Andrea Roy
City Manager

Caryn Riggs
Assistant City Manager/CFO

City of Bedford Organizational Chart

(As of May 19, 2025)



Principal Officials
As of September 30, 2025

BEDFORD CITY COUNCIL

Dan Cogan, Mayor

Nichelle Dawkins, Mayor Pro Tem/Place 1

Joy Donovan Brandon, Place 2

Amy Sabol, Place 3

Rich Steves, Place 4

Steve Farco, Place 5

Rob Gagliardi, Place 6

EXECUTIVE LEADERSHIP TEAM

Andrea Roy, City Manager

Caryn Riggs ..... Assistant City Manager

Stephanie Ayers ..... Director of Human Resources

Layne Cline ..... Director of Public Works

Molly Fox ..... Director of Communications

Bobby LaPenna ..... Police Chief

Mark Long ..... Director of Parks and Recreation

Levi Miller ..... Information Technology Director

Wes Morrison ..... Director of Development

Brady Olsen ..... Finance Director

Maria Redburn ..... Library Director

Bill Walker ..... Fire Chief

Michael Wells ..... City Secretary

Annual Comprehensive Financial Report
Fiscal Year 2024-2025

City of Bedford, Texas

Prepared by the Department of Financial Services

Caryn Riggs, C.G.F.O. ..... Assistant City Manager/ Chief Financial Officer

Brady Olsen, C.G.F.O. .....Finance Director

Kimberly Robinson, CPA .....Accounting Manager

Chloe Schultz, CPA .....Senior Accountant

Anda Upchurch ..... Senior Budget Analyst

Stefanie Spivey ..... Financial Analyst

Charlenia Castillo .....Senior Accounting Technician

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bedford
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

Independent Auditor's Report

The Mayor and City Council
City of Bedford, Texas
Bedford, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bedford, Texas (City) as of and for the year ended September 30, 2025, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements, referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 13 to the basic financial statements, during the year ended September 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Mayor and City Council
City of Bedford, Texas
Bedford, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund statements and schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
March 18, 2026

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City of Bedford
Management's Discussion and Analysis
September 30, 2025

The management of the City of Bedford offers readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the City of Bedford exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $127,267,988.
- The City's total net position increased by $10,247,356. The majority of this increase is related to an increase in investment earnings and departmental expenditure controls.
- As of September 30, 2025, the City of Bedford's governmental funds reported combined ending fund balances of $73,149,286, a decrease of $730,193 in comparison with the prior year. The decrease is primarily related capital projects.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $17,802,744, or 34.93% of total general fund expenditures.
- The City of Bedford's total debt obligations decreased by $8,470,000 or 5.38% due to debt service requirements.

Overview of the Financial Statements

The management discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, other non-financial factors should also be considered.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Position and the Statement of Activities, the City is divided between two kinds of activities:

- Governmental activities. Most of the City's basic services are reported here, including the police, fire, library services, community development, public services, information services, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

- Business-type activities. The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer and drainage utilities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of Bedford are divided into two categories: governmental funds and proprietary funds.

Governmental funds. The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a detailed reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. There are two types of proprietary funds: enterprise funds and internal service funds.

The City of Bedford maintains an enterprise fund to account for water, sewer and drainage services provided to the City's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

The City of Bedford uses the internal service funds as an accounting device to accumulate and allocate costs internally among the City's various functions. The City maintains three internal service funds to account for funds accumulated for facilities maintenance, equipment replacement, and computer replacement within the city. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City is the trustee, or fiduciary, for the retirees Other Post-Employment Benefits (OPEB). The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and funds financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund revenue and expenditures budget and actual information, as well as the funding progress and contributions of TMRS and the City's other post-retirement benefits (OPEB).

Government-wide Financial Analysis

The City's combined net position is $127,267,988 as of September 30, 2025. Analyzing the net position and net expenses of governmental and business-type activities separately, business-type activities' net position is $66,316,608. This analysis focuses on the net position and changes in general revenues and significant expenses of the City's governmental and business-type activities.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City's net position:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	$ 86,751	$ 85,613	$ 38,025	$ 33,394	$ 124,776	$ 119,007
Restricted investments	-	-	9,346	17,749	9,346	17,749
Leases	729	423	-	-	729	423
Capital assets	117,394	120,212	79,521	76,963	196,915	197,175
Total assets	204,874	206,248	126,892	128,106	331,766	334,354
Deferred outflows of resources	3,991	4,753	345	433	4,336	5,186
Current liabilities	18,914	20,818	7,175	9,824	26,089	30,642
Long-term liabilities	127,340	132,331	53,674	56,942	181,014	189,273
Total liabilities	146,254	153,149	60,849	66,766	207,103	219,915
Deferred inflows of resources	1,660	534	71	9	1,731	543
Net Position						
Net Investment in capital assets	56,007	57,349	53,460	48,905	109,467	106,254
Restricted	16,097	13,555	-	-	16,097	13,555
Unrestricted	(11,153)	(13,586)	12,857	12,859	1,704	(727)
Total net position	$ 60,951	$ 57,318	$ 66,317	$ 61,764	$ 127,268	$ 119,082

Governmental activities. The following table provides a summary of the City's operations for the year ended September 30, 2025. Governmental activities increased the City's net position by $5,644,902, accounting for 55.09% of the total increase in net position. This is primarily related to an increase in Property Taxes, Sales Tax, and Investment Earnings.

- Property taxes increased primarily due to an increase in taxable values. The City maintained a flat tax rate.
- Sales tax experienced a slight increase. This is due to consumer spending and will fluctuate depending on the market.
- Interest earnings increased primarily to adopting a laddered approach to investing within the City's investment portfolio.

Business-type activities. Business-type activities increased the City's net position by $4,602,454, accounting for 44.91% of the total increase in net position. This is primarily due to an increase in water usage and investment earnings.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for services	$ 6,910	$ 6,979	$ 31,984	$ 29,551	$ 38,894	$ 36,530
Operating grants and contributions	5,980	1,426	-	-	5,980	1,426
Capital grants and contributions	114	110	1,361	-	1,475	110
General revenues						
Property taxes	29,436	27,982	-	-	29,436	27,982
Other taxes	20,718	20,864	-	-	20,718	20,864
Interest and investment earnings	3,292	2,329	1,930	2,367	5,222	4,696
Gain (loss) on disposal of assets	-	31	209	-	209	31
Other general revenue	441	1,098	-	-	441	1,098
Total revenues	66,891	60,819	35,484	31,918	102,375	92,737
Expenses						
Public safety	29,427	27,399	-	-	29,427	27,399
Leisure services	9,656	7,331	-	-	9,656	7,331
Community services	8,760	2,183	-	-	8,760	2,183
General government/administration	9,339	8,439	-	-	9,339	8,439
Public services	3,708	4,909	-	-	3,708	4,909
Interest on long term debt	3,827	3,345	-	-	3,827	3,345
Water and sewer	-	-	26,154	23,670	26,154	23,670
Stormwater	-	-	1,256	1,308	1,256	1,308
Total expenses	64,717	53,606	27,410	24,978	92,127	78,584
Increases (decreases) in net position before transfers	2,174	7,213	8,074	6,940	10,248	14,153
Transfers	3,472	3,135	(3,472)	(3,135)	-	-
Increase in net position	5,646	10,348	4,602	3,805	10,248	14,153
Net position - October 1	57,318	46,970	61,764	57,959	119,082	104,929
Cumulative effect of change in accounting principle	(2,012)	-	(49)	-	(2,061)	-
Net position - September 30	$ 60,952	$ 57,318	$ 66,317	$ 61,764	$ 127,269	$ 119,082

Financial Analysis of the Government's Funds

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $73,149,286, a decrease of $730,193 in comparison with the prior year. Approximately $17,802,744 or 24.34% of the total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. Fund balance of $55,172,381 or 75.42% is restricted to indicate that it is not available for new spending. The City also has prepaid items and inventory totaling $174,161 or 0.24% which are classified as non-spendable fund balance.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund totaled $17,802,744, while total fund balance was $18,406,866. Unassigned fund balance represents 34.93% of total general fund expenditures.

The fund balance of the City's general fund increased by $2,996,361.

Key factors are as follows:

- Taxes, penalty and interest are higher due to an increase in assessed value, which led to an increase in property tax revenue.
- Charges for services are higher than anticipated due to an increase in multi-family inspections and an increase in ambulance fee collections.
- Interest income increased due to a change in investment strategy. Over the past two years, we began laddering our investments and investing in securities, taking advantage of the higher yields available, which increased the interest earnings.

The debt service fund has a total fund balance of $181,985, a decrease of $331,973.

The economic development 4B fund ended the year with a fund balance of $7,233,925. This is due to an increase in interest income and a decrease in capital outlay budgeted expenditures.

The fund balance of the City's capital projects fund decreased by $5,324,573 during the current fiscal year due capital projects expenditures.

The ARPA Fund fund balance increased by $234,122 due to interest earnings.

Other governmental funds have a total fund balance of $7,567,492, an increase of $405,595. The majority of the increase is related to the Tourism Fund, TIF Fund and the Public Safety Training Fund.

Proprietary funds. The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net position in the Enterprise Funds totaled $66,316,608 at the end of the fiscal year 2025, an increase of $4,602,454. Included in net position is $53,459,847 net investment in capital assets. The remaining net position balance of $12,858,761 is unrestricted net position. In the current fiscal year, total operating revenues are $31,983,938 while operating expenses are $25,836,039. Revenue increased over the prior year due to a change in utility rates.

Net position in the Internal Service Funds totaled $2,960,260 at the end of the fiscal year 2025. These are newly created funds for this fiscal year.

General Fund Budgetary Highlights

During fiscal year 2024-2025, the City Council of the City of Bedford amended the budget for the General Fund twice. The original expenditure budget was amended to increase the budget by $3,070,457.

Budget amendment #1 - $261,882 - work order software, facility maintenance projects, and police vehicle replacements

Support Services, Public Works, and Community Services increased by $9,998, $29,996, and $9,998, respectively, to account for new work order and asset management software.

Capital Outlay and Principal Retirement were increased by $144,650 and $21,240, respectively to account for vehicle replacement upfitting and related lease payment through the Enterprise Lease program.

Capital Outlay was increased by $46,000 to account for facility maintenance projects at the City Hall Annex and Law Enforcement Center.

Staff reviewed the supplemental appropriation and determined that reserves were sufficient to recommend an increase.

Budget amendment #2 - $2,808,575– equipment replacement, and transfers to create internal service funds

Administrative Services increased by $20,525 for the global positioning service (GPS) contract. Capital Outlay was increased by $251,259 for a fire apparatus expense related to an insurance claim. Principal Retirement was decreased by $51,281 for the lease payment through the Enterprise Lease program.

Transfers out were increased to transfer the balance from the General Fund to create internal service funds, including $276,582 to the Facilities Maintenance Fund, $2,023,520 to the Equipment Replacement Fund, and $287,970 to the Computer Replacement Fund.

For fiscal year 2024-2025, actual expenditures, including transfers, on a budgetary basis were $53,604,625 compared to the amended budget of $51,303,216. This was a negative $2,301,409 variance, primarily due to an unbudgeted development incentive agreement. Actual revenue, including transfers and other financing sources, on a budgetary basis was $56,600,986 compared to the amended budget of $47,264,753. This was a positive $9,336,233 variance, primarily due to the unbudgeted sale of land and several revenues coming in higher than budget.

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounted to $196,915,078 (net of accumulated depreciation). This investment in capital assets includes land, buildings, parks, equipment, roads, and water and sewer lines.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 11,359	$ 20,794	$ 100	$ 100	$ 11,459	$ 20,894
Other nondepreciable	40	40	-	-	40	40
Buildings and structures	98,468	91,281	903	903	99,371	92,184
Other improvements	129,069	132,181	-	-	129,069	132,181
Equipment	23,913	20,223	3,699	3,953	27,612	24,176
Right to use leased equipment	5,153	5,592	97	118	5,250	5,710
Right to use subscription asset	2,802	1,814	627	373	3,429	2,187
Utility distribution	-	-	115,503	111,543	115,503	111,543
Construction in progress	9,212	5,982	16,591	15,331	25,803	21,313
Total capital assets	280,016	277,907	137,520	132,321	417,536	410,228
Accumulated depreciation/amortization	(162,622)	(157,695)	(57,999)	(55,358)	(220,621)	(213,053)
Total capital assets net of accumulated depreciation/amortization	$ 117,394	$ 120,212	$ 79,521	$ 76,963	$ 196,915	$ 197,175

Additional information on the City's capital assets can be found in Note 7 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonds outstanding of $148,820,000 in tax supported debt.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligations	$ 56,270	$ 59,965	$ 6,660	$ 7,735	$ 62,930	$ 67,700
Certificates of obligation	38,595	40,395	47,295	49,195	85,890	89,590
Total	$ 94,865	$ 100,360	$ 53,955	$ 56,930	$ 148,820	$ 157,290

The City of Bedford's bonded debt decreased by $8,470,000 during the current fiscal year. The decrease is due to the city's annual debt payments.

S&P maintained the City's credit rating at AA+, indicating very strong financial strength and a low investment risk.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. Additionally, Section 6.01 of the Bedford City Charter states a maximum of $1.50 per $100 assessed valuation to levy taxes. The City's tax rate for FY 2024-25 was $.495726 per $100 assessed valuation.

Additional information on the City's long-term debt can be found in Note 8 of this report.

Economic Factors and Next Year's Budgets and Rates

The City experienced growth in taxable values this fiscal year. The City's estimated net taxable values grew by 0.23%. The fiscal year 2025-2026 includes total net taxable values of $6,772,555,796 and incorporates a flat tax rate. The adopted rate is $.526212 per $100 valuation.

The City increased the base operating budget for fiscal year 2025-2026 primarily due to compensation increases and decision packages added during the budget process. Decision packages include a new Senior Neighborhood Services Officer, increased security measures for information technology, increase for HVAC maintenance for facilities maintenance and a Stryker EMS program for Fire.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Bedford, Financial Services, 2000 Forest Ridge Drive, Bedford, Texas 76021.

Basic Financial Statements

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City of Bedford, Texas
Statement of Net Position
Year Ended September 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 16,955,989	$ 6,423,692	$ 23,379,681
Investments	63,303,668	25,830,799	89,134,467
Accounts receivables, net of allowance	6,317,506	4,840,449	11,157,955
Inventories and prepaid expenses	174,161	930,299	1,104,460
Total current assets	86,751,324	38,025,239	124,776,563
Noncurrent assets			
Restricted investments with trustee	-	9,346,410	9,346,410
Lease receivables	729,194	-	729,194
Capital assets, not being depreciated	20,610,366	16,690,174	37,300,540
Capital assets, being depreciated/amortized, net	96,783,739	62,830,799	159,614,538
Total noncurrent assets	118,123,299	88,867,383	206,990,682
Total assets	204,874,623	126,892,622	331,767,245
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension and OPEB contributions	3,307,056	246,775	3,553,831
Deferred pension and OPEB investment difference	616	6	622
Deferred pension and OPEB experience difference	630,871	47,928	678,799
Deferred charges on refundings	51,926	49,827	101,753
Total deferred outflows of resources	3,990,469	344,536	4,335,005
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8,778,812	2,241,093	11,019,905
Accrued interest	618,890	265,872	884,762
Customer deposits	-	1,331,566	1,331,566
Unearned revenue	528,990	-	528,990
Current portion of leases payable	353,747	18,976	372,723
Current portion of SBITA liability	484,622	100,232	584,854
Current portion of bonds payable (including premiums and arbitrage liability)	6,861,536	3,157,931	10,019,467
Current portion of compensated absences	1,286,772	59,789	1,346,561
Total current liabilities	18,913,369	7,175,459	26,088,828
Noncurrent liabilities			
Leases payable	196,537	6,484	203,021
SBITA liability	542,597	148,477	691,074
Bonds payable (including premiums and arbitrage liability)	93,146,476	51,330,515	144,476,991
Compensated absences	4,900,325	75,836	4,976,161
Net pension liability	27,717,874	2,105,750	29,823,624
Other post-employment benefits	836,429	7,307	843,736
Total noncurrent liabilities	127,340,238	53,674,369	181,014,607
Total liabilities	146,253,607	60,849,828	207,103,435
DEFERRED INFLOWS OF RESOURCES			
Lease related	729,194	-	729,194
Deferred pension and OPEB change in assumptions	78,110	5,934	84,044
Deferred pension and OPEB investment difference	852,801	64,788	917,589
Total deferred inflows of resources	1,660,105	70,722	1,730,827
NET POSITION			
Net investment in capital assets	56,006,750	53,459,847	109,466,597
Restricted for			
Street, drainage, and capital improvements	2,913,991	-	2,913,991
Debt service	181,985	-	181,985
Economic development	7,233,925	-	7,233,925
Community services	4,106,954	-	4,106,954
Grants	689,906	-	689,906
Public safety	447,130	-	447,130
Parks and beautification	523,281	-	523,281
Unrestricted (deficit)	(11,152,542)	12,856,761	1,704,219
TOTAL NET POSITION	$ 60,951,380	$ 66,316,608	$ 127,267,988

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas
Statement of Activities
Year Ended September 30, 2025

Program Activities	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government and administration	$ 9,338,596	$ 298,231	$ 5,946,141	$ -
Development	8,759,910	1,657,524	-	-
Public services	3,707,746	42,811	24,000	-
Public safety	29,426,802	4,558,983	-	113,989
Community services	9,657,453	351,977	10,000	-
Interest expense	3,826,647	-	-	-
Total governmental activities	64,717,154	6,909,526	5,980,141	113,989
Business-type activities				
Water and sewer services	26,154,176	30,101,605	-	1,285,648
Stormwater collection and disposal	1,255,616	1,882,333	-	75,734
Total business-type activities	27,409,792	31,983,938	-	1,361,382
TOTAL PRIMARY GOVERNMENT	$ 92,126,946	$ 38,893,464	$ 5,980,141	$ 1,475,371
General revenues:				
Taxes				
Property taxes, penalty and interest				
Sales				
Franchise				
Occupancy				
Investment earnings				
Gain on disposal of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Changes in net position				
Net position, beginning of year				
Cumulative effect of change in accounting principle				
Net position, beginning of year, restated				
NET POSITION, end of year				

The Notes to the Financial Statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (3,094,224)	$ -	$ (3,094,224)
(7,102,386)	-	(7,102,386)
(3,640,935)	-	(3,640,935)
(24,753,830)	-	(24,753,830)
(9,295,476)	-	(9,295,476)
(3,826,647)	-	(3,826,647)
(51,713,498)	-	(51,713,498)
-	5,233,077	5,233,077
-	702,451	702,451
-	5,935,528	5,935,528
$ (51,713,498)	$ 5,935,528	$ (45,777,970)
$ 29,436,036	$ -	$ 29,436,036
16,612,082	-	16,612,082
2,874,805	-	2,874,805
1,231,302	-	1,231,302
3,291,865	1,930,278	5,222,143
-	208,681	208,681
440,277	-	440,277
3,472,033	(3,472,033)	-
57,358,400	(1,333,074)	56,025,326
5,644,902	4,602,454	10,247,356
57,318,237	61,763,644	119,081,881
(2,011,759)	(49,490)	(2,061,249)
55,306,478	61,714,154	117,020,632
$ 60,951,380	$ 66,316,608	$ 127,267,988

City of Bedford, Texas
Balance Sheet – Governmental Funds
September 30, 2025

	General	Debt Service	Economic Development 4B
ASSETS			
Cash and cash equivalents	$ 3,873,894	$ -	$ 1,214,637
Investments	15,727,385	281,155	5,367,478
Receivables			
Taxes, less allowance for uncollectible	3,653,006	134,596	685,639
Accounts	585,430	-	-
Lease	729,194	-	-
Other	863,828	-	-
Due from other funds	192,690	-	-
Inventories and prepaid items	167,674	-	-
Total assets	25,793,101	415,751	7,267,754
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	6,147,781	-	33,829
Due to other funds	-	130,644	-
Unearned revenue	-	-	-
Total liabilities	6,147,781	130,644	33,829
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	509,260	103,122	-
Lease related	729,194	-	-
Total deferred inflows of resources	1,238,454	103,122	-
FUND BALANCES			
Nonspendable			
Inventories and prepaid items	167,674	-	-
Restricted			
Debt service	-	181,985	-
Street and drainage improvements	-	-	-
Capital acquisition and construction	-	-	-
Economic development	-	-	7,233,925
Community services	-	-	-
Public safety	-	-	-
Parks and beautification	436,448	-	-
Grants	-	-	-
Unassigned	17,802,744	-	-
Total fund balances	18,406,866	181,985	7,233,925
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 25,793,101	$ 415,751	$ 7,267,754

The Notes to the Financial Statements are an integral part of this statement.

Capital Projects	ARPA Grant	Nonmajor Government	Total
$ 7,640,653	$ 297,336	$ 1,364,293	$ 14,390,813
33,822,334	1,534,596	6,171,058	62,904,006
-	-	13,044	4,486,285
-	-	145,720	731,150
-	-	-	729,194
-	-	236,243	1,100,071
-	-	-	192,690
-	-	6,487	174,161
41,462,987	1,831,932	7,936,845	84,708,370
2,387,778	150,175	59,249	8,778,812
-	-	62,046	192,690
-	517,175	11,815	528,990
2,387,778	667,350	133,110	9,500,492
-	480,773	236,243	1,329,398
-	-	-	729,194
-	480,773	236,243	2,058,592
-	-	6,487	174,161
-	-	-	181,985
-	-	2,913,991	2,913,991
39,075,209	-	-	39,075,209
-	-	-	7,233,925
-	-	4,106,954	4,106,954
-	-	447,130	447,130
-	-	86,833	523,281
-	683,809	6,097	689,906
-	-	-	17,802,744
39,075,209	683,809	7,567,492	73,149,286
$ 41,462,987	$ 1,831,932	$ 7,936,845	$ 84,708,370

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City of Bedford, Texas
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2025

Fund balances of governmental funds		$ 73,149,286
Amounts reported for governmental activities in the statement of net position are different because		
Capital assets (net of accumulated depreciation/amortization) used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation/amortization. This amount excludes $149,595 allocated from the internal service funds.		117,244,510
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet. The amount excludes $4,578 allocated from the internal service funds.		(614,312)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		1,329,398
Deferred outflows of resources and deferred inflows of resources represent amounts related to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:		
Employer pension and OPEB contributions	$ 3,307,056	
Pension and OPEB investment difference	616	
Pension and OPEB experience difference	630,871	
Deferred charges on refundings	51,926	
Pension and OPEB change in assumptions difference	(78,110)	
Pension and OPEB investment difference	(852,801)	3,059,558
Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements. This amount excludes $149,595 allocated from the internal service funds. Noncurrent liabilities at year-end consist of:		
General and contractual obligation bonds	$ (94,865,000)	
Bond premium	(4,071,987)	
Leases payable	(550,284)	
Subscription liability	(877,624)	
Net pension liability	(27,717,874)	
Compensated absences	(6,187,097)	
Arbitrage	(1,071,025)	
OPEB liability	(836,429)	(136,177,320)
Internal service funds are used by management to charge the cost of certain activities, including insurance and vehicle fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position.		2,960,260
Total net position of governmental activities		$ 60,951,380

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
Year Ended September 30, 2025

	General	Debt Service	Economic Development 4B
REVENUES			
Taxes, penalty and interest	$ 36,576,867	$ 8,183,470	$ 4,103,028
Licenses, permits, and fees	1,781,516	-	-
Charges for services	3,217,928	-	-
Fines and forfeitures	1,201,927	-	-
Support from governmental entities	508,886	-	-
Interest	819,245	76,312	265,977
Miscellaneous	311,529	-	24,720
Total revenues	44,417,898	8,259,782	4,393,725
EXPENDITURES			
Current			
General government	2,067,260	-	-
Support services	2,774,197		-
Development	4,409,583	-	-
Public works	1,391,966	-	1,840,768
Administrative services	3,380,074	-	-
Police	15,130,270	-	-
Fire	12,167,895	-	-
Community Services	5,641,223	-	-
Capital outlay	2,643,558	6,293	636,051
Debt service			
Principal retirement	1,293,278	4,870,765	625,611
Interest and fiscal agent fees	61,760	3,721,918	42,925
Total expenditures	50,961,064	8,598,976	3,145,355
Excess (deficiency) of revenues over (under) expenditures	(6,543,166)	(339,194)	1,248,370
OTHER FINANCING SOURCES (USES)			
Transfers in	3,548,378	-	-
Transfers out	(2,643,561)	-	(39,956)
Issuance of debt- leases - SBITA	1,232,901	6,293	12,586
Proceeds from sale of capital assets	7,297,023	928	69,275
Insurance proceeds	104,786	-	-
Total other financing sources (uses)	9,539,527	7,221	41,905
Net change in fund balance	2,996,361	(331,973)	1,290,275
Fund balances, beginning of year, as previously presented	15,410,505	513,958	5,943,650
FUND BALANCES, end of year	$ 18,406,866	$ 181,985	$ 7,233,925

The Notes to the Financial Statements are an integral part of this statement.

Capital Projects	ARPA Grant	Nonmajor Government	Total
$ -	$ -	$ 1,324,684	$ 50,188,049
-	-	-	1,781,516
-	-	85,902	3,303,830
-	-	86,467	1,288,394
-	-	113,989	622,875
1,678,105	224,833	317,052	3,381,524
-	5,465,266	33,344	5,834,859
1,678,105	5,690,099	1,961,438	66,401,047
-	-	17,860	2,085,120
-	256,931	-	3,031,128
2,200,974	-	-	6,610,557
-	-	-	3,232,734
4,399	-	-	3,384,473
-	-	181,002	15,311,272
-	-	-	12,167,895
14,658	-	845,688	6,501,569
4,895,702	4,864,537	274,827	13,320,968
4,882	351,585	51,446	7,197,567
-	-	44	3,826,647
7,120,615	5,473,053	1,370,867	76,669,930
(5,442,510)	217,046	590,571	(10,268,883)
-	12,010	19,306	3,579,694
-	-	(376,576)	(3,060,093)
6,293	-	151,923	1,409,996
111,644	5,066	20,371	7,504,307
-	-	-	104,786
117,937	17,076	(184,976)	9,538,690
(5,324,573)	234,122	405,595	(730,193)
44,399,782	449,687	7,161,897	73,879,479
$ 39,075,209	$ 683,809	$ 7,567,492	$ 73,149,286

City of Bedford, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2025

Net change in fund balances – total governmental funds		$ (730,193)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded and transfer in the current period. The total increases in governmental activities capital asset additions exclude $170,120 from the internal service funds.		13,415,847
The values of donated capital assets are not recorded in the governmental funds because they do not provide current financial resources, but they are recognized as capital contributions in the statement of activities.		471,208
Depreciation/amortization expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation/amortization expense is not reported as expenditures in the governmental funds. The amount excludes $20,525 included in the internal service funds allocation.		(7,318,880)
Governmental funds report proceeds from sales of capital assets as other financing sources, but they are reported net of any remaining net book value of assets sold, or disposed of without proceeds, in the statement of activities.		(9,535,515)
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:		
General and certificates of obligation bonds	$ 5,495,000	
Subscription liability	913,095	
Leases payable	789,472	
Additions (amortization) of refunding loss	(7,541)	
Amortization and refunding of bond premium	295,510	7,485,536
The issuance of long-term debt, such as bonds and leases, are shown as "Other Sources" and "Other Uses" in the governmental funds, but are shown on the statement of net position with related costs amortized over the life of the bonds. Differences consist of the following:		
Modification to and issuance of subscription liability	$ (992,338)	
Arbitrage liability	(97,487)	
Modification to and issuance of leases payable	(517,002)	(1,606,827)
Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.		161,872
Current year OPEB benefit reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in OPEB liability, deferred outflows of resources and deferred inflow of resources balances.		41,262
Current year change in long-term liability for compensated absences liability do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. This is reflected in current and noncurrent compensated absences.		(194,378)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		20,861
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This is the net change in these revenues for the year.		473,849
Internal service funds are used by management to charge the cost of certain activities, such as the purchase of equipment and insurance, to individual funds. The change in net position of certain internal service funds is reported with governmental activities. This is the amount of the change in net position allocated to government activities.		2,960,260
Change in net position of governmental activities		$ 5,644,902

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas
Statement of Net Position - Proprietary Funds
September 30, 2025

	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	$ 3,083,806	$ 3,339,886	$ 6,423,692	$ 2,565,176
Investments	23,099,944	2,730,855	25,830,799	399,662
Accounts receivable, net of allowance	4,565,780	274,669	4,840,449	-
Prepaid items	925,474	4,825	930,299	-
Total current assets	31,675,004	6,350,235	38,025,239	2,964,838
Noncurrent assets				
Restricted investments with trustee	9,346,410	-	9,346,410	-
Capital assets				
Land	100,255	-	100,255	-
Equipment	3,440,505	258,964	3,699,469	-
Buildings and improvements	903,239	-	903,239	-
Utility distribution	97,818,253	17,684,593	115,502,846	-
Construction in progress	16,470,171	119,748	16,589,919	-
Right of use asset	96,893	-	96,893	-
Subscription asset	581,687	45,573	627,260	170,120
Less accumulated depreciation/amortization	(47,764,635)	(10,234,273)	(57,998,908)	(20,525)
Capital assets, net	71,646,368	7,874,605	79,520,973	149,595
Total noncurrent assets	80,992,778	7,874,605	88,867,383	149,595
Total assets	112,667,782	14,224,840	126,892,622	3,114,433
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension and OPEB contributions	223,800	22,975	246,775	-
Deferred pension and OPEB investment difference	6	-	6	-
Deferred pension and OPEB experience difference	43,455	4,473	47,928	-
Deferred charges on refundings	25,437	24,390	49,827	-
Total deferred outflows of resources	292,698	51,838	344,536	-
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	2,206,263	34,830	2,241,093	-
Accrued interest	244,844	21,028	265,872	4,578
Customer deposits	1,331,566	-	1,331,566	-
Current portion compensated absences	58,890	899	59,789	-
Current portion of bonds payable	2,778,709	379,222	3,157,931	-
Current portion of subscription payable	93,469	6,763	100,232	35,186
Current portion of leases payable	18,976	-	18,976	-
Total current liabilities	6,732,717	442,742	7,175,459	39,764
Noncurrent liabilities				
Net pension liability	1,909,239	196,511	2,105,750	-
Bonds payable	47,414,854	3,915,661	51,330,515	-
Compensated absences	75,836	-	75,836	-
Other post-employment benefits	7,307	-	7,307	-
Subscription liability	120,976	27,501	148,477	114,409
Leases payable	6,484	-	6,484	-
Total noncurrent liabilities	49,534,696	4,139,673	53,674,369	114,409
Total liabilities	56,267,413	4,582,415	60,849,828	154,173
DEFERRED INFLOWS OF RESOURCES				
Deferred pension and OPEB change in assumptions	5,380	554	5,934	-
Deferred pension and OPEB investment difference	58,742	6,046	64,788	
Total deferred inflows of resources	64,122	6,600	70,722	-
NET POSITION				
Net investment in capital assets	47,140,350	6,319,497	53,459,847	-
Unrestricted	9,488,595	3,368,166	12,856,761	2,960,260
TOTAL NET POSITION	$ 56,628,945	$ 9,687,663	$ 66,316,608	$ 2,960,260

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Revenues, Expenses and
Changes in Fund Net Position – Proprietary Funds
Year Ended September 30, 2025

	Water and Sewer	Stormwater Utility	Total	Internal Service Funds
OPERATING REVENUES				
Water sales	$ 18,128,557	$ -	$ 18,128,557	$ -
Charges for sewer services	11,213,724	-	11,213,724	-
Stormwater charges	-	1,851,856	1,851,856	-
Other	759,324	30,477	789,801	-
Total operating revenues	30,101,605	1,882,333	31,983,938	-
OPERATING EXPENSES				
Water supply and distribution	13,520,345	-	13,520,345	-
Wastewater collection and disposal	6,136,671	-	6,136,671	-
Billing and collection	1,476,268	485,366	1,961,634	-
Public services/engineering	1,300,525	-	1,300,525	-
Depreciation and amortization	2,271,206	645,658	2,916,864	-
Total operating expenses	24,705,015	1,131,024	25,836,039	-
OPERATING INCOME	5,396,590	751,309	6,147,899	-
NONOPERATING REVENUES (EXPENSES)				
Interest income	1,678,942	251,336	1,930,278	7,828
Gain on sale of assets	199,667	9,014	208,681	-
Interest expense and fiscal agent charges	(1,449,161)	(124,592)	(1,573,753)	-
Total nonoperating revenues (expenses)	429,448	135,758	565,206	7,828
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	5,826,038	887,067	6,713,105	7,828
CAPITAL CONTRIBUTIONS	1,285,648	75,734	1,361,382	-
TRANSFERS IN	74,435	-	74,435	2,952,432
TRANSFERS OUT	(3,166,688)	(379,780)	(3,546,468)	-
CHANGE IN NET POSITION	4,019,433	583,021	4,602,454	2,960,260
NET POSITION, beginning of year	52,657,853	9,105,791	61,763,644	-
Cumulative effect of change in accounting principle	(48,341)	(1,149)	(49,490)	-
NET POSITION, beginning of year, restated	52,609,512	9,104,642	61,714,154	-
NET POSITION, end of year	$ 56,628,945	$ 9,687,663	$ 66,316,608	$ 2,960,260

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Cash Flows – Proprietary Funds
Year Ended September 30, 2025

	Water and Sewer	Stormwater Utility	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING ACTIVITIES				
Receipts from customers and users	$ 30,015,100	$ 1,881,358	$ 31,896,458	$ -
Payments to suppliers	(22,710,661)	(386,239)	(23,096,900)	25,103
Payments to or on behalf of employees for services	(2,469,851)	(239,423)	(2,709,274)	-
Net cash provided by operating activities	4,834,588	1,255,696	6,090,284	25,103
NONCAPITAL FINANCING ACTIVITIES				
Transfers in	74,435	-	74,435	2,952,432
Transfers out	(3,166,688)	(379,780)	(3,546,468)	-
Net cash provided by (used in) noncapital financing activities	(3,092,253)	(379,780)	(3,472,033)	2,952,432
CAPITAL AND RELATED FINANCING ACTIVITIES				
Issuance of capital related debt	-	-	-	149,595
Principal paid on capital related debt	(2,605,000)	(370,000)	(2,975,000)	-
Interest and fiscal agent fees	(1,488,299)	(133,813)	(1,622,112)	-
Proceeds from sale of property	199,667	9,014	208,681	-
Acquisition and construction of capital assets	(4,067,557)	(45,572)	(4,113,129)	(170,120)
Net cash used in capital and related financing activities	(7,961,189)	(540,371)	(8,501,560)	(20,525)
INVESTING ACTIVITIES				
Purchase of investments	8,402,317	-	8,402,317	(399,662)
Proceeds from sale of investments	(9,219,044)	(963,244)	(10,182,288)	-
Interest on investments	1,678,942	251,336	1,930,278	7,828
Net cash provided by (used in) investing activities	862,215	(711,908)	150,307	(391,834)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,356,639)	(376,363)	(5,733,002)	2,565,176
CASH AND CASH EQUIVALENTS, beginning of year	8,440,445	3,716,249	12,156,694	-
CASH AND CASH EQUIVALENTS, end of year	$ 3,083,806	$ 3,339,886	$ 6,423,692	$ 2,565,176

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Cash Flows – Proprietary Funds - Continued
Year Ended September 30, 2025

	Water and Sewer	Stormwater Utility	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	$ 5,396,590	$ 751,309	6,147,899	$ -
Adjustments to reconcile operating income to net cash provided by operating activities			-	
			-	
Depreciation and amortization	2,271,206	645,658	2,916,864	-
Changes in			-	
Receivables	(127,703)	(975)	(128,678)	-
Prepaid items	(48,900)	(4,825)	(53,725)	-
Accounts payable and accrued liabilities	(2,665,226)	(123,329)	(2,788,555)	4,578
Pension & other post employment benefits	(107,394)	(44,592)	(151,986)	-
Leases	(20,331)	-	(20,331)	-
SBITA	85,397	34,264	119,661	20,525
Compensated absences	9,751	(1,814)	7,937	-
Customer deposits	41,198	-	41,198	-
Net cash provided by operating activities	$ 4,834,588	$ 1,255,696	$ 6,090,284	$ 25,103
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	$ 1,285,648	$ 75,734	$ 1,361,382	$ -

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Fiduciary Net Position – Fiduciary Fund
September 30, 2025

	OPEB Trust Fund
ASSETS	
Current Assets	
Investments (fair value)	$ 51,717
Total current assets	51,717
NET POSITION	
Restricted for other post-employment benefits	51,717
TOTAL NET POSITION	$ 51,717

The Notes to the Financial Statements are an integral part of this statement.

City of Bedford, Texas

Statement of Changes in Fiduciary Net Position – Fiduciary Fund
Year Ended September 30, 2025

	OPEB Trust Fund
ADDITIONS	
Employer contributions	$ 96,619
Investment income	4,139
Total additions	100,758
DEDUCTIONS	
Benefit payments	96,619
Total deductions	96,619
CHANGE IN NET POSITION	4,139
NET POSITION, beginning of year	47,578
NET POSITION, beginning of year, restated	47,578
NET POSITION, end of year	$ 51,717

The Notes to the Financial Statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

The City of Bedford, Texas (City) Home Rule Charter was adopted September 24, 1966. The City operates under a Council/Manager form of government and provides the following services by its charter: public safety, public works, health, culture, recreation, community development, water and sewer utilities.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures and expenses. Actual results could vary from the estimates that are used.

Significant policies of the City are described below.

A. Financial Reporting Entity

Generally accepted accounting principles require that financial statements present the City (primary government) and its component units. Component units are organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The accompanying general purpose financial statements comply with the provisions of the GASB Statement No. 61, The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34, in that the financial statements include all organizations, activities, functions and component units for which the City is financially accountable or those which would be misleading to exclude. In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. Based on these criteria, the following blended component unit is included in the accompanying financial statements. Blended component units, although legally separate entities are, in substance, part of the City's operations.

The City Street Improvement Economic Development Corporation (EDC) is governed by a seven-member board appointed by the City Council. Although it is legally separate from the City, the EDC is reported as if it were part of the primary government because its sole purpose is to operate, maintain, and finance the costs of the City's street improvements using taxes collected under Section 4B of the Development Corporation Act of 1979. Separate financial statements are not available.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

The primary effect of internal activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation on the government-wide statement of activities.

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

The City reports the following major governmental funds:

- General Fund – is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- Debt Service Fund – is used to account for the accumulation of resources for the payment of general long-term obligations principal, interest and related costs.
- Economic Development 4B Fund – is used to account for revenues and expenses associated with the operation, maintenance and financing of the costs of the City's street improvements. The fund's primary revenue source is sales taxes, and a small amount of interest.
- Capital Projects Fund – is used to account for construction projects funded from major resources such as general obligation bonds, certificates of obligation, short-term obligations and operating funds for governmental purposes.
- ARPA Fund – is used to account for revenues and expenditures from the Coronavirus State and Local Fiscal Recovery Funds program authorized by the American Rescue Plan Act (ARPA).

All proprietary funds account for operations that are primarily financed by user charges.

The City reports the following proprietary funds:

- Water and Sewer Fund – accounts for providing water and sewer services to residential and commercial users in the City.
- Stormwater Utility Fund – accounts for the storm drainage runoff service provided to the residential and commercial users of the City.

The City reports the following internal service funds:

- Facilities Maintenance Fund – This internal service fund was established to have a pay-as-you-go maintenance fund for the City facilities. Funding is provided through an operating transfer from the General Fund. This allows the accumulation of funds for larger maintenance efforts that cannot be absorbed in the operating budget.
- Equipment Replacement Fund – This internal service fund accumulates funding for the replacement of City vehicles and equipment. With the adoption of the vehicle replacement program through Enterprise, the fund receives operating transfers for the lease costs of vehicles paid from this fund.
- Computer Replacement Fund – This internal service fund was established to have a pay-as-you-go fund for computer and server replacement. Funding is provided through an operating transfer from the General Fund. This allows the accumulation of funds for larger capital purchases that cannot be absorbed in the operating budget.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Other Post-Employment Benefits (OPEB) Trust Fund accounts for the activities of the trust which accumulates resources for OPEB related benefits and is excluded from the government-wide financial statements.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases, leases or subscription-based information technology arrangements are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services (except for sanitation services), fines and forfeitures, rents, and concessions are recorded as revenues when received in cash because they are generally not measurable until actually received. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be all unrestricted cash and certificates of deposit with an original maturity date of three months or less.

E. Investments

Investments in debt securities and money market mutual funds are carried at fair value. Fair value is determined using quoted market prices. Investments in nonnegotiable certificates of deposit are carried at cost.

Investments in external investment pools are carried at net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available.

F. Receivables

Accounts receivable consist primarily of amounts due from citizens for various services provided by the City as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of individual accounts. The primary factors considered in determining the amount of the allowance are collection history, the aging of the accounts and other specific information known to management that may affect collectability.

G. Inventories

Inventories in the general and proprietary fund types are carried at cost (first-in, first-out method). The City uses the consumption method for determining cost; inventories are recognized as expenditures when consumed.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure such as roads, bridges, drainage systems and lighting systems, are reported at historical cost. Contributed assets are recorded at their acquisition value as of the date received. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. Estimated useful lives of major categories of property are:

Buildings	20 – 40 years
Infrastructure	20 – 30 years
Water and sewer system	50 years
Improvements	10 – 20 years
Machinery and equipment	3 – 10 years

The minimum capitalization threshold is any item with a total cost greater than $5,000 and a useful life greater than one-year.

Right-to-use lease assets and subscription-based information technology arrangement (SBITA) assets are amortized over the duration of the lease/arrangement using the straight-line method.

I. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick, holiday, and comp time benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service from the City.

Vested or accumulated vacation, sick, holiday, or comp time leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay only if the compensated absences have matured with unused reimbursable leave outstanding following an employee's resignation or retirement. Vested or accumulated vacation leave within proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Funds allocated related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of such liabilities. For governmental activities, compensated absences are generally liquidated by the general fund.

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee benefit account) during or upon separation from employment. Based on the criteria listed, the following types of leave qualify for liability recognition for compensated absences – vacation, sick leave, compensatory, and holiday. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation
The City's policy permits employees to accumulate earned but unused vacation benefits, with limits on accumulation. Vacation benefits are eligible for payment upon separation from employment, with limitations.

Sick Leave
The City's policy permits employees to accumulate earned but unused sick leave benefits, with limits on accumulation. Sick leave benefits are not eligible for payment upon separation from employment, with limitations.

Compensatory Time
The City's policy permits non-exempt employees to accrue compensatory time in lieu of receiving overtime pay with limits on accumulation. Balances are eligible for payments upon separation from employment, with limitations.

Holiday Time
The City's policy allows for prior holiday balances to be paid out upon separation from employment.

A liability for the estimated value of leave benefits that will be paid upon separation of service or used by employees as time off is included in the liability for compensated absences.

J. Long-Term Debt

General Obligation bonds issued for general government capital projects that are to be repaid from tax revenues of the City are recorded in the government-wide statement of net position. Tax anticipation notes have been issued to fund permanent public improvements related to public safety communications and network infrastructure. Such notes are to be repaid from tax revenues of the City and are recorded in the government-wide statement of net position. Revenue bonds issued for proprietary fund assets that are to be repaid by the proprietary fund are recorded in the proprietary funds.

Revenue bonds have been issued to fund capital projects of proprietary funds. Such bonds are to be repaid from the net revenues of the applicable proprietary fund.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method in the government-wide financial statements. Issuance costs are recognized as an expense in the period incurred. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, issuance costs, in the current period. The face amount of the debt issued is reflected as other financing sources. Premiums are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Leases

Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*, which required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lessee –

The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary funds financial statements.

At implementation of GASB Statement No. 87, the City initially measured the lease liabilities at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor—

The City recognizes a lease receivable and deferred inflow of resources in the government-wide, and governmental funds financial statements.

At implementation of GASB Statement No. 87, the City measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

L. Subscription-Based Information Technology Arrangements (SBITAs)

The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual value of $5,000 or more.

At the commencement of an SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

M. Defined Benefit Pension Plans

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due.

Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability. For governmental activities, net pension liabilities are generally liquidated by the general fund.

N. Other Post-Employment Benefits (OPEB)

The fiduciary net position of the retiree health plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account. Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability. For governmental activities, net OPEB liabilities are generally liquidated by the general fund. The specific activities reported in the fiduciary statements are the contributions to and the benefit payments from the retiree health plan, and earnings on those and previously existing investments for the fiscal year ended December 31, 2024.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources.

This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City could have the following items that qualify for reporting in this category.

- *Deferred charges on refunding* – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- *Pensions and OPEB contributions* – These contributions are those made after the measurement date through the fiscal year end (January 1st – September 30th) resulting in a cash outlay not yet recognized under GASB 68 and 75. This amount is deferred and recognized in the following fiscal year.
- *Pensions and OPEB change in assumptions* –These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

- *Pensions and OPEB experience difference* –These amounts represent the difference in expected and actual pension and OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- *Pensions and OPEB investment difference* –These amounts represent the difference in projected and actual earnings on pension and OPEB plan assets. These differences are deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City could have the following items that qualify for reporting in this category.

- *Pensions and OPEB experience difference* – These amounts represent the difference in expected and actual pension and OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- *Pensions and OPEB investment difference* –Pensions and OPEB – These amounts represent the difference in projected and actual earnings on pension and OPEB plan assets. These differences are deferred and amortized over a closed five-year period.
- *Pensions and OPEB change in assumptions* –These amounts represent the difference resulting from a change in assumptions used to measure the underlying net pension and OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- *Unavailable revenues* – These amounts represent uncollected property taxes, uncollected ambulance revenue and property assessments. These amounts are deferred in the fund's financial statements and recognized once payments are received in the following fiscal year(s).
- *Deferred inflows related to leases* – These amounts represent future collections of lease receivables, and are deferred in both the fund and government wide financial statements. These amounts are recognized as the lease payments are received over the lives of the leases.

Fund allocation of pension related balances is determined by individual employee assignment and is modeled by allocation of the net pension liability. This assignment is uniform with regard to liquidation of the net pension liability.

P. Interfund Transactions

During the course of normal City operations, transactions occur between funds, including transfers of resources to provide services, construct assets and service debt. There is no interest charged between funds for these advances. Interfund transactions are eliminated upon consolidation in the government-wide financial statements unless the transaction is deemed to be at market or near market value and is reported as revenue, expenditure or expense.

Q. Net Position

Net position represents the difference between assets and deferred outflows, and liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, donors, grantors or laws or regulations of other governments.

The net position of the Tourism Development Fund and the Economic Development 4B Fund are restricted by enabling legislation as indicated on the statement of net position. The City's policy is to use restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

R. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

- *Non-spendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Balances include items not expected to be converted to cash including inventories and prepaid items.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council, the City's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* – This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council.
- *Unassigned* – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds.

S. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and contingent assets and liabilities as of the balance sheet date and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

T. New Accounting Pronouncements

The GASB pronouncements effective in fiscal year 2025 and beyond are listed as follows:

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 was implemented in the City's fiscal year 2025 financial statements. See Note 13 to see the impact on the City's financial statements.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 was implemented in the City's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

GASB Statement No. 103, *Financial Reporting Model Improvements*, (GASB 103), establishes new accounting and financial reporting requirements – or modifies existing requirements – related to the following:

- Management's discussion & analysis
- Unusual or infrequent items
- Presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position
- Information about major component units in basic financial statements
- Budgetary comparison information
- Financial trends information in the statistical section

The requirements of this statement are effective for reporting periods beginning after June 15, 2025. GASB 103 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, *Disclosures of Certain Capital Assets*, (GASB 104), establishes new disclosure requirements related to certain capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025. GASB 104 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 105, *Subsequent Events* (GASB 105), improves financial reporting related to subsequent events by 1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and non-recognized events and 2) specifies the information items that are required to be disclosed about subsequent events. The requirements of this statement are effective for reporting periods beginning after June 15, 2026, with earlier application encouraged. GASB 105 will be implemented in the City's fiscal year 2027 financial statements and the impact has not yet been determined.

U. Subsequent Events

The City's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended September 30, 2025, through Month 18, 2026, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

Note 2. Deposits and Investments

The deposit and investment policies of the City are governed by State Statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be insured by the Federal Deposit Insurance Corporation (FDIC). Financial institutions, and depositories must fully collateralize all deposits in excess of FDIC insurance limits.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agency securities, repurchase agreements and municipal pools. The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

Investments measured at fair value are categorized within the fair value hierarchy. Fair value refers to the price that would be received to sell as asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

The hierarchy provides a framework for measuring fair value based on three levels. The three-level fair value hierarchy describes the inputs that are used to measure assets and liabilities.

Level 1	Quoted prices in active markets for identical assets or liabilities;
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
Level 3	Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The fair value hierarchy gives the highest priority to Level 1 and the lowest priority to level 3 inputs. If a price for an identical asset or liability is not observable a government should measure fair value using another valuation technique that maximizes the use of an asset inputs from more than one level of the fair value hierarchy. The measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The following table presents the weighted average maturity, credit rating, and fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2025:

September 30, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Weighted Average Maturity (Days)	Standard & Poor's Credit Rating
Investments by fair value level						
Money market mutual funds	$ 9,346,410	$ 9,346,410	$ -	$ -	1 day	AAAm
Total investments by fair value level	9,346,410	9,346,410	-	-		
Investments measured at net asset value						
TexSTAR	4,079,336	-	-	-	26 days	AAAm
Texas CLASS	15,916,840	-	-	-	34 days	AAAm
Non-negotiable certificate of deposit	13,651,648	13,651,648	-	-	194	N/A
Total investments by net asset value level	33,647,824	13,651,648	-	-		
Investments by fair value level:						
Federal Farm Credit Bonds	17,692,744	-	17,692,744	-	N/A	AA+
Federal Home Loan Bank Bonds	20,282,296	-	20,282,296	-		AA+
U.S. Treasury Note	13,509,264	-	13,509,264	-	N/A	AA+
Municipal Bonds	18,351,852	-	18,351,852	-	N/A	AA+
Farmer Mac	4,961,461	-	4,961,461	-	N/A	AA+
	74,797,617	-	74,797,617	-		
Total	$ 117,791,851	$ 22,998,058	$ 74,797,617	$ -		

Investment Pools and non-negotiable Certificates of Deposit are measured at net asset value (NAV) and are exempt from fair value reporting and therefore have been excluded from the hierarchy.

Money market mutual funds classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for identical assets or liabilities.

The TexStar and Texas CLASS are external investment pools measured at NAV. These investment pool's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. Each of these investment pools has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity. These investment pools are authorized by the Texas Legislature. The Texas Treasury Safekeeping Trust Company is the trustee and is a limited purpose trust company authorized pursuant to Texas Government Code.

U.S Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

U.S. Treasury Notes classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk — In accordance with its investment policy, the City manages its exposure to declines in fair market values by investing operating funds primarily in short-term securities, money market mutual funds or similar investment pools. Furthermore, unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three years from the date of purchase.

Credit Risk — It is the City's policy to follow statutes, which authorize the City to invest in obligations of the U. S. Treasury agencies and instrumentalities, obligations of the state of Texas and related agencies, obligations of states, agencies, counties, cities and other political subdivisions of any state rated "A" or above by Standard & Poor's Corporation or Moody's, repurchase agreements and designated investment pools. The City's assets in investment pools meet this requirement as noted above.

Custodial Credit Risk — Investments — In accordance with its investment policy, the City minimizes custodial credit risk by limiting investments to the safest types of investment vehicles, prequalifying the financial institutions, brokers/dealers, intermediaries and advisors with which the City will do business and diversifying the investment portfolio so that potential losses on individual investments will be minimized. Currently, all investments are registered in the City's name.

Custodial Credit Risk — Deposits — The City's deposits do not have any exposure to credit risk because all deposits in financial institutions are fully collateralized by U.S. government obligations or obligations of the state of Texas and its agencies that have a value of not less than the principal amount of the deposits. The collateral is held by a third-party custodial bank as the City's agent.

Concentration of Credit Risk — The City limits investments to avoid concentration in securities from a specific issuer or business sector (where appropriate). As noted above, the City's investments are distributed into a variety of allowable investment vehicles. Management does not believe there is a significant risk of loss due to the credit rating and nature of the investments.

Following is a reconciliation of the City's deposit and investment balances at September 30, 2025 to the government-wide statement of net position:

	Balance at September 30, 2025
Investments	$ 117,791,851
Deposits and cash on hand	4,068,707
	$ 121,860,558

	Government-wide Statement of Net Position
Cash and cash equivalents	$ 23,379,681
Investments	89,134,467
Restricted Investments with Trustee	9,346,410
	$ 121,860,558

Note 3. Receivables and Governmental Funds Deferred Inflows

Receivables, including amounts due from other governments, as of September 30, 2025, for the City's individual major funds and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Proprietary Funds		
	General	Debt Service	Economic Development	Nonmajor Governmental	Water and Sewer	Stormwater Utility	Total
Receivables							
Taxes							
Delinquent property taxes	$ 978,024	$ 163,002	$ -	$ -	$ -	$ -	$ 1,141,026
Sales taxes	2,056,916	-	685,639	-	-	-	2,742,555
Franchise	665,794	-	-	13,044	-	-	678,838
Other	26,004	-	-	-	-	-	26,004
Leases	729,194	-	-	-	-	-	729,194
Accounts	585,430	-	-	145,720	5,088,381	274,669	6,094,200
Other	863,828	-	-	236,243	-	-	1,100,071
Gross receivables	5,905,190	163,002	685,639	395,007	5,088,381	274,669	12,511,888
Less allowance for uncollectibles	(73,732)	(28,406)	-	-	(522,601)	-	(624,739)
Net total receivables	$ 5,831,458	$ 134,596	$ 685,639	$ 395,007	$ 4,565,780	$ 274,669	$ 11,887,149

Governmental funds report deferred inflows in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period.

At the end of the year, the various components of deferred inflows reported in the governmental funds were as follows:

Deferred Inflows	Unavailable Revenue	Other Deferred Inflows
Delinquent property taxes receivable (General Fund)	$ 269,343	$ -
Delinquent property taxes receivable (Debt Service Fund)	103,122	-
Delinquent ambulance receivable (General Fund)	239,917	-
Assessments (Nonmajor Governmental)	236,243	-
Interlocal Agreement (ARPA Fund)	480,773	-
Lease receivable (General Fund)	-	729,194
Total deferred inflows for governmental funds	$ 1,329,398	$ 729,194

The City is a lessor for non-cancelable leases of the right-to-use of land, buildings, and infrastructure for which the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. The interest rates for the leases range from 0.81% and 5.03% annually, and the terms are typically 4-7 years. The lease receivables that exist at September 30, 2025, relate to leases whose terms expire between 2026 and 2030.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City has $729,194 remaining in lease receivables and $729,194 remaining in deferred inflow as of September 30, 2025. The City recorded lease revenue including interest of $276,658 in the fiscal year.

As of September 30, 2025, the expected lease receipts through the expiration of all leases for which the City is a lessor is as follows:

September 30,	Principal	Interest	Total
2026	$ 227,489	$ 25,672	$ 253,161
2027	175,450	18,017	193,467
2028	156,069	11,163	167,232
2029	140,004	4,414	144,418
2030	30,182	220	30,402
	$ 729,194	$ 59,486	$ 788,680

Note 4. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. The City's property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real property and personal business property located in the City. The assessed value upon which the fiscal year 2025 levy was based on was $6,564,115,230. The appraisal function is performed by the Tarrant County Appraisal District.

General property taxes are limited by the Texas Constitution to $2.50 per $100 of assessed valuation and by Home Rule Charter to $1.50 per $100 of assessed valuation for general governmental services and payment of principal and interest on long-term debt. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2025, was $0.4957260 per $100 of assessed valuation.

Taxes are due by January 31 following the levy date. Current tax collection for the year ended September 30, 2025, was 97.49% of the tax levy.

Uncollected property taxes levied for the current fiscal year are recognized as receivables and are deemed collectible in full.

Note 5. Interfund Transfers

Interfund transfers are payments between funds that are designed to cover various operating and overhead expenses and to allocate charges for services performed by one fund on behalf of another fund.

Individual fund transfers for the year ended September 30, 2025, were:

	Transfer In					
	General	ARPA	Nonmajor Governmental	Water and Sewer	Internal Service	Total
Transfers out						
General Fund	$ -	$ 12,010	$ 19,000	$ -	$ 2,612,551	$ 2,643,561
Economic Development 4B	39,956	-	-	-	-	39,956
Nonmajor Governmental	376,270	-	306	-	-	376,576
Water and Sewer	2,826,807	-	-	-	339,881	3,166,688
Stormwater Utility	305,345	-	-	74,435	-	379,780
Total transfers out	$ 3,548,378	$ 12,010	$ 19,306	$ 74,435	$ 2,952,432	$ 6,606,561

Interfund transfers are used for multiple purposes. Transfers to the General Fund are primarily used to move funds to finance various programs in accordance with budgetary authorizations. Transfers from the Economic Development fund to the General Fund is authorized during the annual budget process related to the vehicle lease program. Transfers from the General Fund to the ARPA Fund is based on an audit of prior ARPA funds. This was a deposit recorded incorrectly in the General Fund. Transfer to the Non-major funds is primarily related to the annual funding of the SWAT program. Transfers within the water and sewer and stormwater utility funds aid in administrative and capital projects costs. Transfers to the internal service fund are primarily for fund creation.

Note 6. Interfund Assets/Liabilities

Interfund balances reflect payments made by one fund on behalf of another fund for which cash settlement has not been made as of the end of the accounting period. Amounts due to and from other funds will be settled within the next accounting period. As of September 30, 2025, interfund balances outstanding was between the General Fund, Debt Service Fund, and Nonmajor Governmental Fund as follows:

	Due From		
	Debt Service	Nonmajor Governmental	Total
Due To			
General Fund	$ 130,644	$ 62,046	$ 192,690
Total	$ 130,644	$ 62,046	$ 192,690

The due to the General Fund from the Various Grants Funds is the result of the General Fund funding purchases prior to the receipt of grant funding. The due to the General Fund from the Debt Service Fund reflects payments made by one fund on behalf of another fund for which cash settlement has not been made as of the end of the accounting period.

Note 7. Capital Assets

The following tables summarize changes in capital assets during the year ended September 30, 2025:

	Beginning Balance	Additions	Retirements	Reclassifications	Ending Balance
Governmental Activities					
Capital assets, not being depreciated/amortized					
Land	$ 20,794,020	$ -	$ (9,435,210)	$ -	$ 11,358,810
Construction in progress	5,981,803	5,123,276	-	(1,893,523)	9,211,556
Other nondepreciable assets	40,000	-	-	-	40,000
Total assets not being depreciated/amortized	26,815,823	5,123,276	(9,435,210)	(1,893,523)	20,610,366
Capital assets, being depreciated/amortized					
Buildings and improvements	91,281,287	1,452,637	(46,067)	5,780,462	98,468,319
Equipment	20,223,265	4,660,612	(1,111,324)	140,373	23,912,926
Right to use lease equipment	5,591,449	517,002	(955,027)	-	5,153,424
Right to use subscription asset	1,813,770	992,337	(173,883)	-	2,632,224
Improvements other than buildings	132,181,030	1,141,191	(225,446)	(4,027,312)	129,069,463
Total capital assets being depreciated/amortized	251,090,801	8,763,779	(2,511,747)	1,893,523	259,236,356
Less accumulated depreciation/amortization					
Buildings and improvements	(17,629,454)	(3,030,134)	382	(2,636,432)	(23,295,638)
Equipment	(15,684,165)	(1,281,829)	1,066,975	-	(15,899,019)
Right to use lease equipment	(4,636,920)	(924,814)	955,027	-	(4,606,707)
Right to use subscription asset	(764,646)	(733,726)	173,882	-	(1,324,490)
Improvements other than buildings	(118,979,589)	(1,348,377)	215,176	2,636,432	(117,476,358)
Total accumulated depreciation/amortization	(157,694,774)	(7,318,880)	2,411,442	-	(162,602,212)
Total capital assets being depreciated/amortized, net	93,396,027	1,444,899	(100,305)	1,893,523	96,634,144
Governmental funds capital assets, net	120,211,850	6,568,175	(9,535,515)	-	117,244,510
Internal service funds:					
Right-to-use subscription asset	-	170,120	-	-	170,120
Less accumulated amortization	-	(20,525)	-	-	(20,525)
Internal service funds capital assets, net	-	149,595	-	-	149,595
Governmental activities capital assets, net	$ 120,211,850	$ 6,717,770	$ (9,535,515)	$ -	$ 117,394,105
Business-type Activities					
Capital assets, not being depreciated/amortized					
Land	$ 100,255	$ -	$ -	$ -	$ 100,255
Construction in progress	15,330,684	3,866,414	-	(2,607,179)	16,589,919
Total assets not being depreciated/amortized	15,430,939	3,866,414	-	(2,607,179)	16,690,174
Capital assets, being depreciated/amortized					
Buildings and improvements	903,239	-	-	-	903,239
Equipment	3,952,709	-	(245,990)	(7,250)	3,699,469
Right to use lease equipment	118,208	-	(21,315)	-	96,893
Right to use subscription asset	373,030	254,230	-	-	627,260
Utility distributions	111,543,289	1,361,382	(16,254)	2,614,429	115,502,846
Total capital assets being depreciated/amortized	116,890,475	1,615,612	(283,559)	2,607,179	120,829,707
Less accumulated depreciation/amortization					
Buildings and improvements	(608,602)	(11,860)	-	-	(620,462)
Equipment	(3,749,131)	(88,776)	245,990	-	(3,591,917)
Right to use lease equipment	(73,368)	(19,963)	21,315	-	(72,016)
Right to use subscription asset	(156,130)	(133,813)	-	-	(289,943)
Utility distributions	(50,770,857)	(2,662,452)	8,739	-	(53,424,570)
Total accumulated depreciation/amortization	(55,358,088)	(2,916,864)	276,044	-	(57,998,908)
Total capital assets being depreciated/amortized, net	61,532,387	(1,301,252)	(7,515)	2,607,179	62,830,799
Business-type activities capital assets, net	$ 76,963,326	$ 2,565,162	$ (7,515)	$ -	$ 79,520,973

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
General government	$ 661,990
Development	116,539
Public works	1,143,171
Public safety	2,020,651
Community services	3,166,171
Administrative services	210,358
Internal Service funds	20,525
Total depreciation/amortization expense – governmental activities	$ 7,339,405
Business-type Activities	
Water and sewer	$ 2,271,206
Stormwater collection and disposal	645,658
Total depreciation/amortization expense – business-type activities	$ 2,916,864

Note 8. Long-term Liabilities

The following is a summary of the long-term liabilities of the City for the year ended September 30, 2025:

	Beginning Balance (as restated)	Additions	Retirements	Ending Balance	Amounts Due Within One-Year
Governmental Activities					
General Bonds/Certificates	$ 100,360,000	$ -	$ (5,495,000)	$ 94,865,000	$ 5,495,000
Premium on debt	4,367,497	-	(295,510)	4,071,987	295,511
Lease liabilities	822,754	517,002	(789,472)	550,284	353,747
Subscription liabilities	798,381	992,338	(913,095)	877,624	449,436
Compensated absences	5,992,719	1,811,586	(1,617,208)	6,187,097	1,286,772
Arbitrage liability	973,538	97,487	-	1,071,025	1,071,025
Net pension liability	29,423,463	-	(1,705,589)	27,717,874	-
Other post-employment benefits	909,172	-	(72,743)	836,429	-
Total governmental funds	$ 143,647,524	$ 3,418,413	$ (10,888,617)	$ 136,177,320	$ 8,951,491
Internal Service Activities					
Subscription liabilities	-	149,595	-	149,595	35,186
Total internal service funds	$ -	$ 149,595	$ -	$ 149,595	$ 35,186
Governmental activities long-term liabilities	$ 143,647,524	$ 3,568,008	$ (10,888,617)	$ 136,326,915	$ 8,986,677
Business-type Activities					
General Bonds and Certificates of Obligation	$ 56,930,000	$ -	$ (2,975,000)	$ 53,955,000	$ 3,035,000
Premiums on debt	542,189	-	(65,837)	476,352	65,837
Lease liabilities payable	45,791	-	(20,331)	25,460	18,976
Subscription liabilities	129,048	254,230	(134,569)	248,709	100,232
Compensated absences	127,688	95,042	(87,105)	135,625	59,789
Arbitrage liability	39,615	17,479	-	57,094	57,094
Net pension liability	2,408,326	-	(302,576)	2,105,750	-
Other post-employment benefits	6,888	419	-	7,307	-
Business-type activities long-term liabilities	$ 60,229,545	$ 367,170	$ (3,585,418)	$ 57,011,297	$ 3,336,928

Governmental long-term debt consists of the following individual issues at September 30, 2025:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2013 General Obligation Refunding and Improvement Bonds	$ 5,375,000	2.0% – 4.0%	$ 815,000
Series 2014 General Obligation Bonds	3,200,000	2.0% – 4.0%	1,760,000
Series 2018 General Obligation Bonds	57,540,000	3.125% - 5.0%	42,990,000
Series 2019 General Obligation Bonds, Taxable	5,490,000	2.35% - 3.0%	4,005,000
Series 2019 General Obligation Refunding and Improvement Bonds	7,490,000	2.0% - 3.0%	4,850,000
Series 2020 General Obligation Refunding Bonds	1,275,000	1.27%	530,000
Series 2021A General Obligation Bonds	2,165,000	1.03%	1,320,000
Certificates of Obligation			
Series 2021 General Tax and Revenue Certificates of Obligation	4,150,000	1.03%	2,535,000
Series 2023 General Tax and Revenue Certificates of Obligation	3,110,000	4.0% - 5.0%	2,930,000
Series 2023A General Tax and Revenue Certificates of Obligation	16,320,000	4.0% - 5.0%	15,375,000
Series 2024 General Tax and Revenue Certificates of Obligation	18,525,000	4.0% - 5.0%	17,755,000
Total General Obligation and Certificates of Obligation Contractual Bonds			$ 94,865,000

Business-type long-term debt consists of the following individual issues at September 30, 2025:

Series	Original Issue	Interest Rate	Debt Outstanding
General Obligation Bonds			
Series 2018 General Obligation Refunding and Improvement Bonds	$ 6,380,000	3.125% - 5.0%	$ 3,610,000
Series 2019 General Obligation Refunding and Improvement Bonds	1,325,000	2.0% - 3.0%	665,000
Series 2020 General Obligation Refunding Bonds	4,375,000	1.27%	2,385,000
Certificates of Obligation			
Series 2012 Combination Tax and Revenue Certificates of Obligation	630,000	0.09% – 1.4%	240,000
Series 2012A Combination Tax and Revenue Certificates of Obligation	4,270,000	1.0% – 2.75%	1,765,000
Series 2015 Combination Tax and Revenue Certificates of Obligation	30,000,000	0.22% – 3.210%	22,890,000
Series 2017 Combination Tax and Revenue Certificates of Obligation	20,000,000	0.69% - 3.0%	15,940,000
Series 2019 Combination Tax and Revenue Certificates of Obligation	3,990,000	2.0% - 4.0%	3,080,000
Series 2023 Combination Tax and Revenue Certificates of Obligation	1,370,000	4.0% - 5.0%	1,290,000
Series 2024 Combination Tax and Revenue Certificates of Obligation	2,160,000	4.0% - 5.0%	2,090,000
Total General Obligation and Certificates of Obligation			$ 53,955,000

The annual debt service requirement to amortize the bonds, certificates of obligation and lease obligations outstanding at September 30, 2025, are as follows:

Governmental Activities:

Year Ending September 30,	Bonded Debt Obligations	Interest	Total
2026	$ 5,495,000	$ 3,572,639	$ 9,067,639
2027	5,725,000	3,340,653	9,065,653
2028	5,970,000	3,096,739	9,066,739
2029	6,225,000	2,840,272	9,065,272
2030	6,475,000	2,603,987	9,078,987
2031-2035	30,360,000	9,786,077	40,146,077
2036-2040	25,260,000	3,992,931	29,252,931
2041-2044	9,355,000	686,441	10,041,441
	$ 94,865,000	$ 29,919,739	$124,784,739

Business-type Activities:

Year Ending September 30,	Debt Obligations	Interest	Total
2026	$ 3,035,000	$ 1,567,843	$ 4,602,843
2027	3,140,000	1,489,601	4,629,601
2028	2,740,000	1,415,112	4,155,112
2029	2,805,000	1,344,681	4,149,681
2030	2,905,000	1,271,934	4,176,934
2031-2035	12,490,000	5,290,727	17,780,727
2036-2040	12,645,000	3,388,088	16,033,088
2041-2045	12,295,000	1,444,856	13,739,856
2046-2047	1,900,000	85,950	1,985,950
	$ 53,955,000	$ 17,298,792	$ 71,253,792

Leases

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of buildings and equipment over the term of the lease. The City is required to make periodic payments at its incremental borrowing rate, or the interest rate stated or implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*. At implementation of this statement, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term.

The City's lessee arrangements incur interest at rates ranging between 0.26% and 4.21% annually for its governmental activities, and between 0.93% and 2.42% for its business-type activities. All such arrangements range between 3 and 6 years in length.

The annual requirements to amortize leases payable outstanding as of September 30, 2025 are as follows:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	$ 353,747	$ 19,003	$ 18,976	$ 228
2027	75,909	11,044	6,484	37
2028	53,613	11,044	-	-
2029	53,613	11,044	-	-
2030	13,402	2,761	-	-
	$ 550,284	$ 54,896	$ 25,460	$ 265

The value of the lease equipment assets as of the end of the current fiscal year was $5,250,317 and had accumulated amortization of $4,678,723.

Subscription Based Information Technology Arrangements (SBITA)

The City has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The City is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate(s)	SBITA Term in Years	Ending Balance
Governmental funds			
SBITA	0.38% - 5.27%	2.75 yrs - 10 yrs	$ 877,624
Total governmental funds			$ 877,624
Internal service activities			
SBITA	4.08%	5 yrs	$ 149,595
Total internal service funds			$ 149,595
Total governmental activities			$ 1,027,219
Business-type activities			
SBITA	3.75% - 4.57%	2.75 yrs - 5.3 yrs	$ 248,709
Total business-type activities			$ 248,709

The future principal and interest SBITA payments as of fiscal year end are as follows:

Fiscal Year Ending	Principal	Interest	Total
2026	$ 449,436	$ 24,081	$ 473,517
2027	325,503	13,770	339,273
2028	61,197	1,644	62,841
2029	25,244	710	25,954
2030	16,244	651	16,895
Total governmental funds	$ 877,624	$ 40,856	$ 918,480

Fiscal Year Ending	Principal	Interest	Total
2026	$ 35,186	$ 6,103	$ 41,289
2027	36,622	4,668	41,290
2028	38,116	3,173	41,289
2029	39,671	1,618	41,289
Total internal service funds	$ 149,595	$ 15,562	$ 165,157
Total governmental activities	$ 1,027,219	$ 56,418	$ 1,083,637

Fiscal Year Ending	Principal	Interest	Total
2026	$ 100,232	$ 4,518	$ 104,750
2027	56,845	2,454	59,299
2028	30,267	1,234	31,501
2029	31,198	1,188	32,386
2030	30,167	1,210	31,377
Total business-type activities	$ 248,709	$ 10,604	$ 259,313

The value of the subscription assets as of the end of the current fiscal year was $3,429,604 and had accumulated amortization of $1,634,958.

Note 9. Retirement Plan

A. Plan Description

The City participates as one of 938 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *tmrs.com*.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5 years
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	50%
Annuity increase (to retirees)	0% of CPI

Employees Covered by Benefit Terms
At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	146
Inactive employees entitled to but not yet receiving benefits	306
Active employees	322
Total	774

C. Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the City matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City are required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 17.16% and 17.19% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $4,797,832 and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumption
The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population
Investment Rate of Return	6.75%, net of pension plan investment expense,

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

Rate of Return
The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	35.0%	7.1%
Core Fixed Income	6.0%	5.0%
Non-Core Fixed Income	6.0%	6.8%
Hedge Funds	5.0%	6.4%
Private Equity	13.0%	8.5%
Private Debt	13.0%	8.2%
Real Estate	12.0%	6.7%
Infrastructure	6.0%	6.0%
Other Private Markets	4.0%	7.3%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2023	$ 87,262,974	$ 55,431,185	$ 31,831,789
Changes for the year			
Service cost	4,248,297	-	4,248,297
Interest on total pension liability	5,931,443	-	5,931,443
Effect of difference in expected and actual experience	452,124	-	452,124
Benefit payments, including refunds of employee contributions	(3,027,776)	(3,027,776)	-
Administrative expenses	-	(36,938)	36,938
Employer contributions	-	4,873,215	(4,873,215)
Net investment income	-	5,797,998	(5,797,998)
Employee contributions	-	2,006,618	(2,006,618)
Other	-	(864)	864
Net changes	7,604,088	9,612,253	(2,008,165)
Balances at December 31, 2024	$ 94,867,062	$ 65,043,438	$ 29,823,624

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the City, calculated using the discount rate of 6.75%, as well as what the City's Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	$ 43,877,995	$ 29,823,624	$ 18,286,529

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at trms.com.

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of $4,478,794.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 678,799	$ -
Difference in assumptions changes	-	84,044
Difference between projected and actual earnings on pension plan investments	-	917,589
Contributions subsequent to the measurement date	3,486,871	-
Total	$ 4,165,670	$ 1,001,633

$3,486,871 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the measurement year ending December 31, 2025 (i.e., recognized in fiscal year ending September 30, 2026). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 114,561
2026	543,055
2027	(627,289)
2028	(353,161)
Total	$ (322,834)

Note 10. Post-employment Health Care Plan

A. Plan Description and Funding Policy

The City provides post-employment medical care (OPEB) for employees through a single employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and contribution rates are approved annually by the City management and the City Council as part of the budget process. Because the plan is administered through an arrangement equivalent to a trust, it is accounted for in accordance with GASB Statement No. 75, and therefore its activities and balances as of December 31, 2024 and for the year then ended are reported in the accompanying fiduciary financial statements.

Starting January 1, 2010, the City began requiring participants who are active employees with less than 20 years of service or 60 years or more of age with less than 5 years of service to contribute an age-based full-cost premium if they choose to remain on the City's health care plan upon retirement. In return, the City will make scheduled annual contributions into a retiree health savings plan in the name of each eligible employee who has 10 years of service or more. Employees are 50% vested at 20 years of service and 100% vested at 30 years of service.

Retiring employees will pay either age-based or blended premiums depending on their status as "grandfathered" or "non-grandfathered." Blended premiums blend the cost of providing health coverage to both active employees and retirees and will be based on the total employer/employee premium for the health plan as a whole and will be determined annually during the budget process.

B. Grandfathered Employees and Non-Grandfathered Employees

As of January 1, 2010, employees that have 20 years of continuous service with the City or employees having 5 years of continuous service and have reached the age of 60 will be eligible to purchase City health benefits at blended rates upon the date of their retirement if they are less than age 65. Employees who meet the requirements to stay on the plan will continue to pay both employee and employer required contributions for the retiree health plan chosen for themselves and eligible dependents. Employer and employee required contributions are determined annually by plan as part of the City's annual budget. If the spouse or eligible dependents are on the plan at the time of the employee's retirement, they can remain on the plan, until which time they are no longer eligible.

Employees who do not meet the eligibility requirements to stay on the plan will pay age-based premiums for the retiree health plan chosen for themselves and eligible dependents. These employees will participate in the City's retiree health savings plan.

C. Benefits Provided

The City provides post-employment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage an employee must qualify under all three of the following:

- The retiree must have been covered for medical benefits under the City health plan as an employee immediately prior to termination of employment.
- Apply for pension benefits from TMRS in accordance with their requirements and deadlines, but in no event later than 90 days from termination of employment.
- Enroll for retiree health coverage within 30 days of the date of termination. Annual Funding Policy

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees currently receiving benefits	33
Active employees	6
Total	39

D. Policy Information

Retiree Health Plan Benefit Eligibility
To be eligible for retiree health benefits, employees must meet the following criteria:

- Any employee who is covered under the City's health plan at the effective date of (the employee's) retirement, who is less than age 65, and who meets the "retiree" definition (as described below) may elect to continue health insurance coverage under the plan.
- Employees who are eligible and elect to stay on the plan will be required to begin paying monthly premiums immediately upon retirement.
- Employees eligible for retiree health insurance may also continue coverage for any dependents following the employee's retirement, provided the dependents were covered under the employee's health insurance as of the effective date of the employee's retirement and the appropriate enrollment forms are completed within 30 days of retirement. Anyone electing this coverage must meet all of the eligibility rules of the plan.

NOTE: When a covered retiree's spouse is employed at the time the City of Bedford employee retires, an exception to this policy may be made. The spouse may elect coverage under the City's health plan if the spouse's employment ends or the spouse's employer discontinues coverage.

- Dependents who are covered under the retiree's health insurance at the time of the retiree's death may continue coverage as follows: (a) the spouse may continue coverage following the death of the retiree until such time as the spouse remarries, dies or reaches age 65 (b) any other eligible dependent(s), as defined by the City's self-funded plan, may continue to be covered under retiree health insurance as long as all eligibility requirements of the City's plan are met.

Retiree Health Plan Benefit Coverage
Retirees are able to maintain retiree coverage through the City until they reach age 65 (see section below). Retirees cannot drop the City's plan and re-elect retiree benefits at a later date unless they become re-employed by the City. If this is the case, they must re-enroll into the City's retiree insurance program within 30 days of the termination from the City's re-employment.

- Retirees are able to choose from and elect the same plans offered to active employees during open enrollment each year until they reach age 65.
- Retirees who decide to elect the City's retiree health benefits will pay either age based on blended premiums depending on their status as "grandfathered" or "non-grandfathered."
- Blended premiums blend the cost of providing health coverage to both active employees and retirees, will be based on the total employer/employee premium for the health plan as a whole, and will be determined annually during the budget process.

Retirees Age 65 or Older
Effective January 1, 2010, retirees who are Medicare eligible or age 65 or older will have access to a more cost effective and comparable Medicare Supplement or Medicare Advantage Plan and will no longer have access to the City's health plan. Retirees will continue to have access to the City's dental plan.

- Retirees who choose to obtain coverage elsewhere may later elect one of the City's Medicare Supplement or Medicare Advantage plans when they become eligible for Medicare.
- Retirees' dependents who are under 65 years of age will be able to maintain coverage through the City's health plan. Once a dependent reaches age 65, the dependent will no longer be able to access the City's health plan but will be able to select either the Medicare Supplement or Medicare Advantage Plan which is less expensive than the current retiree premiums and is comparable to or offers a richer benefit than the City's health plan.
- If the employee is 65 years of age or older, but is not Medicare eligible, the City will evaluate the cost of Medicare Part A premiums each year and determine whether the City will reimburse the employee for the purchase of Medicare Part A (on behalf of the retiree or whether to allow the retiree to pay the premium to stay on the City's health plan). Retirees in this situation will be notified of this determination at the end of each year for the following plan year.

E. Applicability

This policy applies to all regular full-time employees.

F. Definitions

Retiree — is defined as an employee who has effected retirement with the City and is eligible to retire according to the City's pension plan guidelines.

G. Policy Authority

The City Council authorizes this policy. The City's management team and Human Resources are responsible for interpreting and enforcing this policy.

H. Implementation Procedures

Employees eligible for retiree health insurance will be given written notification from Human Resources explaining their eligibility to elect retiree health insurance, the applicable premium rates for the type of coverage(s) they are eligible to continue and the procedures the employee must follow in order to elect retiree health insurance. They will also be given an election form on which to make their health insurance elections.

Employees eligible for retiree health insurance must complete the retiree health insurance election foul' and remit the appropriate premium payment as outlined in the retiree medical information packet within 30 days following the effective date of the employee's retirement; otherwise, the retiree will automatically forfeit his/her right to continue health insurance under this policy, except as provided by federal law.

Retirees who are not age 65 and who are eligible for and elect retiree coverage through the City will receive notification from the City's Human Resources Department of the discontinuation of their retiree coverage along with enrollment information for the Medicare Supplement and Medicare Advantage plans upon turning age 65.

Termination of Retiree Health Plan Coverage
Retiree health insurance will automatically terminate for the retiree and/or covered dependents upon the earliest of the following occurrences:

- The City ceases to provide group health insurance.
- Retiree/retiree's dependent(s) fail to remit the monthly premium payment to the City's Human Resources Department by the last day of each month.
- The retiree returns to active employment status with the City and becomes covered under a City sponsored health plan.
- Dependent(s) of the retiree cease to meet the eligibility requirements of the City's medical plan.

I. Net OPEB Liability

Investments
The plan investments are held in mutual funds and have less than one year to maturity. The mutual funds are recorded using fair value measurement guidelines established by generally accepted accounting principles (GAAP). The plan assets held in mutual funds are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices and are classified as Level 2 of the fair value hierarchy.

Actuarial Assumptions
The OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	4.08%

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2024, actuarial valuation, the Individual Entry-Age Normal Actuarial Cost method was used. The actuarial assumptions included a 5.5% investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 7.0% initially, reduced by decrements to an ultimate rate of 4.15% after a number of years. Both rates include a 2.50% inflation assumption. The actuarial value of the plan's assets was set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities valued at 4.5%. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

Discount Rate
The expected rate of return on OPEB plan investments is 4.08%; the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 4.08%.

Changes in the OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2023	$ 963,638	$ 47,578	$ 916,060
Changes for the year:			
Service cost	5,674	-	5,674
Interest	34,615	-	34,615
Effect of difference in expected and actual experience	17,883	-	17,883
Changes of assumptions	(29,738)	-	(29,738)
Employer contributions	-	96,619	(96,619)
Net investment income	-	4,139	(4,139)
Benefit payments, including refunds of employee contributions	(96,619)	(96,619)	-
Net changes	(68,185)	4,139	(72,324)
Balance at December 31, 2024	$ 895,453	$ 51,717	$ 843,736

Sensitivity of the OPEB Liability to Changes in the Discount Rate
The following presents the OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (3.08%) or one-percentage-higher (5.08%) than the current rate:

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB liability	$ 945,799	$ 843,736	$ 757,880

Sensitivity of the OPEB Liability to Healthcare Cost Trends

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB liability	$ 749,142	$ 843,736	$ 955,118

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended September 30, 2025, the City recognized OPEB benefit of $26,279.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	$ 622	$ -
Contributions made subsequent to measurement date	66,960	-
Total	$ 67,582	$ -

$66,960 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the measurement year ending December 31, 2025 (i.e., recognized in fiscal year ending September 30, 2026). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

Years Ending December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 778
2026	973
2027	(823)
2028	(306)
Total	$ 622

Note 11. Tax Abatements and Economic Incentive Agreements

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of Bedford. This program rebates property and sales and use taxes and is authorized under Chapter 380 of the Texas Local Government Code. The various agreements are detailed below that rebate a percentage or property and/or sales and use taxes.

Agreements for rebate of property taxes generally call for rebates of taxes on incremental values for usually up to 10 years. The agreements for sales and use taxes provides for a rebate of 50% to 100% of the City 2% taxes on incremental values for usually up to 10 years, with the maximum being 12 years. For fiscal year 2025, rebated property taxes of $27,350, or 0.09% of the total levy of $29.5 million. Sales and use taxes rebated totaled $32,247 or 0.26% of the General Fund collections of $12.3 million. In addition, the City made a one-time rebate of $100,000 for a facade improvement grant.

Retail Development Agreements
The City of Bedford agreed to pay property tax and sales tax grants to certain developers in order to promote economic development and diversity, increase employment, reduce unemployment and underemployment, expand commerce, and stimulate business and commercial activity. These grants require the construction or improvement of a minimum square feet of retail space, including obtaining a certificate of occupancy, within a specified time period and a request submittal from the grantee for amounts owed. The grants can generally be split into three components: one-time improvement/permit grants, sales-tax grants, and property tax grants. One-time grants generally require spending thresholds on improvements/construction be met during or before the first year. Sales-tax grants are dependent upon sales targets being met, and property tax grants are paid out on incremental increases in property taxes over the first year.

An agreement was executed in October 2013 with Texas Harley-Davidson with a program start date of 2016. The agreement includes a rebate of 80% (years 1-3), 60% (years 4-7) and 40% (years 8-10) of the City's sales tax of 1% if sales tax thresholds are met, and 80% (years 1-3), 60% (years 4-7), and 40% (years 8-10) of the City's incremental property tax for a period of ten years. For fiscal year 2025, the city incurred a liability of $33,881 and paid $31,645. In addition, Texas Harley-Davidson forfeited $30,878 due to not meeting goals. The total recorded liability is $30,792.

An agreement was executed in December 2016 with Chipotle. The agreement includes a rebate of 25% of the City's sales tax of 2% for a period of twelve years. The City incurred a liability of $17,131 during the current fiscal year bringing the recorded overall liability to $30,166.

An agreement was executed in March 2017 with American Motorcycle. The agreement includes a rebate of 100% of the City's incremental property tax for a period of ten years. The City incurred a liability of $11,154 and paid $9,839 during the current fiscal year bringing the recorded overall liability to $11,154.

An agreement was executed in November 2020 with Northern Tool. The agreement includes a rebate of an annual program grant of $20,000 for a period of five years based on exceeding sales target. The City incurred a liability of $20,000 during the current fiscal year bringing the recorded overall liability to $100,000.

An agreement was executed in July 2022 with Rock Island Auction Company. The agreement includes a rebate of 10% of the City's sales tax of 1% for a period of five years, 75% of the City's incremental property tax over base year taxes for a period of ten years, a rebate of the City's incremental tangible personal property tax for a period of ten years, a one-time façade improvement grant for a portion of the cost of improvements made by the company, in an amount not to exceed $100,000, and waivers of permit fees attributable to the façade and site improvement costs. The City incurred a liability of $12,584 and paid $118,114 during the current fiscal year bringing the recorded overall liability to $6,454.

An agreement was executed in December 2024 with DD Gateway Village. The agreement includes a one-time public infrastructure improvement grant, equivalent to the costs actually incurred by DD Gateway Village for certain public improvements associated with the construction of a residential development. The City has recorded a liability of $1,535,000 incurred in the current fiscal year.

An agreement was executed in January 2025 with 3MEBS Property Company. The agreement includes a one-time public infrastructure improvement grant, equivalent to the costs actually incurred by 3MEBS Property Company for certain public improvements associated with the construction of a commercial development. The City has recorded a liability of $665,974 incurred in the current fiscal year.

An agreement was executed in March 2025 with HEB-brand Grocery Store. The agreement is for a one-time payment for costs associated with the design and construction of a traffic signal, not to exceed $300,000. Construction must be completed no later than December 31, 2026. The City has recorded a liability of $300,000 incurred in the current fiscal year.

Note 12. Commitments and Contingencies

A. Risk Management

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Risk Pool) to provide insurance for workers' compensation benefits, liability and property coverage.

At September 30, 2025, the Risk Pool was self-sustaining based on premiums charged, so that total contributions plus compounded earnings on these contributions will be sufficient to satisfy claims and liabilities and other expenses. Premiums are assessed based on the rates set by the Texas State Board of Insurance and may be adjusted, on an annual basis, by the Risk Pool's Board of Trustees for each participating political subdivision's experience. The City is not liable for payments beyond the annual contributions.

The Risk Pool has purchased stop-loss coverage to protect the assets of the pool from catastrophic losses. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years, and there have been no significant reductions in insurance coverage during the current year.

B. Trinity River Authority of Texas

In 1972, the City entered into a contract with the Trinity River Authority (TRA) for the purchase of water. The contract shall remain in effect until all bonds, including refunding bonds, have been paid.

Under the terms of the contract, the City is obligated to pay its proportional share of operating and maintenance expenses and debt service charges by the TRA based on the ratio of estimated water usage for the ensuing year to the total estimated water usage. Total purchases during fiscal year 2025 were $13,746,634.

In 1973, the City entered into a 50-year contract with the TRA for the transportation, treatment, and disposal of sanitary sewage actually discharged and to share in the cost of operation and maintenance of the system. Total payments of $5,693,402 were made in fiscal year 2025. Additionally, $437,205 was spent with the City of Hurst for the transportation, treatment and disposal of sanitary sewage as well.

C. Litigation

Various claims and lawsuits are pending against the City. In the opinion of the City's legal counsel and management, the potential loss on all claims after insurance will not be significant to the City's financial statements.

D. State and Federal Programs

The City has received federal and state grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the City, disallowed costs, if any, should not be material.

Note 13. Restatement of Beginning Balances

During the fiscal year 2025, a change in accounting principles for the adoption of GASB 101, *Compensated Absences*, resulted in a restatement of beginning net position, as follows:

	Government-Wide		Proprietary Funds	
	Governmental Activities	Business-type Activities	Water and Sewer Fund	Stormwater Utility Fund
Beginning balance, as previously reported	$ 57,318,237	$ 61,763,644	$ 52,657,853	$ 9,105,791
Change in accounting principle - GASB 101	(2,011,759)	(49,490)	(48,341)	(1,149)
Beginning balance, as restated	$ 55,306,478	$ 61,714,154	$ 52,609,512	$ 9,104,642

Required Supplementary Information

City of Bedford, Texas

Schedule of Changes in the City's Net Pension Liability and Related Ratios
Texas Municipal Retirement System
Last Ten Measurement Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	$ 4,248,297	$ 4,067,446	$ 3,685,983	$ 3,447,579	$ 3,309,978	$ 2,948,845	$ 2,996,009	$ 2,703,744	$ 2,676,451	$ 2,515,193
Interest (on the Total Pension Liability)	5,931,443	5,425,748	4,978,198	4,613,812	4,174,117	2,705,647	2,410,946	2,139,669	1,866,228	1,643,314
Changes of benefit terms	-	-	-	-	17,246,961	-	-	-	-	-
Changes in assumptions	-	(130,167)	-	-	-	(65,423)	-	-	-	711,649
Difference between expected and actual experience	452,124	807,550	11,924	(769,990)	543,210	(195,552)	(131,459)	(246,817)	77,844	(368,820)
Benefit payments, including refunds of employee contributions	(3,027,776)	(2,510,654)	(1,962,276)	(2,062,330)	(1,101,861)	(1,030,024)	(741,916)	(705,692)	(460,701)	(359,420)
Net change in total pension liability	7,604,088	7,659,923	6,713,829	5,229,071	24,172,405	4,363,493	4,533,580	3,890,904	4,159,822	4,141,916
Total pension liability - beginning	87,262,974	79,603,051	72,889,222	67,660,151	43,487,746	39,124,253	34,590,673	30,699,769	26,539,947	22,398,031
Total pension liability - ending (a)	94,867,062	87,262,974	79,603,051	72,889,222	67,660,151	43,487,746	39,124,253	34,590,673	30,699,769	26,539,947
PLAN FIDICIARY NET POSITION										
Contributions - employer	4,873,215	4,706,138	4,233,606	3,832,642	2,131,048	2,111,935	2,137,293	1,919,893	1,705,987	1,611,071
Contributions - employee	2,006,618	1,958,193	1,790,076	1,709,140	1,653,808	1,639,548	1,660,496	1,503,273	1,489,019	1,387,526
Net investment income	5,797,998	5,354,460	(3,315,962)	4,831,954	2,426,080	3,915,583	(687,085)	2,458,477	949,763	16,795
Benefit payments, including refunds of employee contributions	(3,027,776)	(2,510,654)	(1,962,276)	(2,062,330)	(1,101,861)	(1,030,024)	(741,916)	(705,692)	(460,701)	(359,420)
Administrative expense	(36,938)	(33,838)	(28,555)	(22,268)	(15,631)	(22,022)	(13,231)	(12,708)	(10,700)	(10,223)
Other	(864)	(237)	34,074	153	(609)	(662)	(691)	(643)	(577)	(505)
Net change in plan fiduciary net position	9,612,253	9,474,062	750,963	8,289,291	5,092,835	6,614,358	2,354,866	5,162,600	3,672,791	2,645,244
Plan fiduciary net position - beginning	55,431,185	45,957,123	45,206,160	36,916,869	31,824,034	25,209,676	22,854,810	17,692,210	14,019,419	11,374,175
Plan fiduciary net position - ending (b)	65,043,438	55,431,185	45,957,123	45,206,160	36,916,869	31,824,034	25,209,676	22,854,810	17,692,210	14,019,419
NET PENSION LIABILITY - ending (a) - (b)	$ 29,823,624	$ 31,831,789	$ 33,645,928	$ 27,683,062	$ 30,743,282	$ 11,663,712	$ 13,914,577	$ 11,735,863	$ 13,007,559	$ 12,520,528
Plan fiduciary net position as a percentage of total pension liability	68.56%	63.52%	57.73%	62.02%	54.56%	73.18%	64.43%	66.07%	57.63%	52.82%
Covered payroll	$ 28,665,972	$ 27,974,180	$ 25,632,708	$ 24,416,282	$ 23,625,825	$ 23,422,120	$ 23,721,371	$ 21,475,333	$ 21,258,547	$ 21,351,384
City's net pension liability as a percentage of covered payroll	104.04%	113.79%	131.26%	113.38%	130.13%	49.80%	58.66%	54.65%	61.19%	58.64%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years.

See Notes to the Schedule of City Contributions

City of Bedford, Texas

Schedule of City Contributions
Texas Municipal Retirement System
Last Ten Fiscal Years

	Year Ended September 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 4,873,215	$ 4,819,332	$ 4,680,666	$ 4,055,163	$ 3,411,680	$ 2,121,266	$ 2,118,005	$ 2,035,140	$ 1,924,529	$ 1,680,982
Contributions in relation to the actuarially determined contribution	4,873,215	4,819,332	4,680,666	4,055,163	3,411,680	2,121,266	2,118,005	2,035,140	1,924,529	1,680,982
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 28,665,972	$ 28,437,165	$ 27,895,987	$ 25,295,123	$ 24,365,915	$ 21,488,577	$ 23,488,350	$ 22,630,160	$ 22,147,313	$ 22,649,265
Contributions as a percentage of covered payroll	17.00%	16.95%	16.78%	16.03%	14.00%	9.87%	9.02%	8.99%	8.69%	7.42%

The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for 10 years.

See Notes to the Schedule of City Contributions

City of Bedford, Texas
Notes to the Schedule of City Contributions
Last Ten Fiscal Years

Valuation Date: December 31, 2024
Actuarial determined contribution rates are calculated as of December 31st, each year and become effective in January, 13 months and a day later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employees table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information:	There were no benefit changes during the year.

City of Bedford, Texas

Schedule of Changes in the City's Other Post-Employment Benefits Liabilities and Related Ratios – Retiree Healthcare Plan
Last Eight Measurement Years

	Year Ended December 31							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	$ 5,674	$ 5,396	$ 13,294	$ 12,451	$ 16,565	$ 20,196	$ 33,282	$ 28,394
Interest	34,615	47,916	28,658	29,598	37,074	93,755	86,615	91,716
Changes of benefit terms	-	19,927	-	141,114	-	-	-	-
Difference between expected and actual experience	17,883	(341,616)	5,813	(29,740)	5,723	(1,317,943)	5,923	-
Change in assumptions	(29,738)	77,789	(315,042)	26,964	133,140	95,681	(131,216)	164,339
Employer contributions	-	-	-	(52,380)	(64,956)	(72,714)	(82,737)	(72,029)
Benefit payments	(96,619)	(52,367)	(154,008)	-	-	-	-	-
Net changes	(68,185)	(242,955)	(421,285)	128,007	127,546	(1,181,025)	(88,133)	212,420
Total OPEB liability - beginning	963,638	1,206,593	1,627,878	1,499,871	1,372,325	2,553,350	2,641,483	2,429,063
Total OPEB liability - ending	$ 895,453	$ 963,638	$ 1,206,593	$ 1,627,878	$ 1,499,871	$ 1,372,325	$ 2,553,350	$ 2,641,483
Plan fiduciary net position								
Employer contributions	$ 96,619	$ 52,397	$ 154,008	$ 52,380	$ 64,956	$ 72,714	$ 82,737	$ 72,029
OPEB plan net investment income	4,139	4,940	(6,281)	3,884	4,238	5,091	(1,599)	3,092
Benefit payments	(96,619)	(52,397)	(154,008)	(52,380)	(64,956)	(72,714)	(82,737)	(72,029)
OPEB plan administrative expense	-	-	-	-	(41)	-	-	-
Net change in plan fiduciary net position	4,139	4,940	(6,281)	3,884	4,197	5,091	(1,599)	3,092
Plan fiduciary net position- beginning	47,578	42,638	48,919	45,035	40,838	35,747	37,346	34,254
Plan fiduciary net position- ending	$ 51,717	$ 47,578	$ 42,638	$ 48,919	$ 45,035	$ 40,838	$ 35,747	$ 37,346
Net OPEB liability - ending	$ 843,736	$ 916,060	$ 1,163,955	$ 1,578,959	$ 1,454,836	$ 1,331,487	$ 2,517,603	$ 2,604,137
Plan fiduciary net position as a percentage of total OPEB liability	5.78%	4.94%	3.53%	3.01%	3.00%	2.98%	1.40%	1.41%
Covered payroll	$ 750,250	$ 970,467	$ 940,033	$ 947,955	$ 1,737,307	$ 1,638,064	$ 2,024,772	$ 1,995,448
Net OPEB liability as a percentage of covered payroll	112.46%	94.39%	123.82%	166.56%	83.74%	81.28%	124.34%	130.50%

The information in this schedule has been determined as of the measurement date (December 31) of the City's OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

See Notes to the Schedule of City Contributions – Retiree Health Care Plan

City of Bedford, Texas

Schedule of Contributions – Retiree Healthcare Plan
Last Eight Fiscal Years

	Year Ended September 30							
	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 66,960	$ 96,619	$ 99,357	$ 103,717	$ 87,112	$ 71,491	$ 70,556	$ -
Contributions in relation to the actuarially determined contribution	66,960	96,619	99,357	103,717	87,112	71,491	70,556	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 750,250	$ 708,434	$ 1,046,963	$ 1,047,022	$ 1,556,177	$ 1,408,191	$ 1,704,133	$ 2,105,853
Contributions as a percentage of covered payroll	8.93%	13.64%	9.49%	9.91%	5.60%	5.08%	4.14%	0.00%

The information in this schedule has been determined as of the measurement date (December 31) of the City's OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

See Notes to the Schedule of City Contributions – Retiree Health Care Plan

City of Bedford, Texas

Notes to the Schedule of Contributions – Retiree Healthcare Plan
Last Eight Fiscal Years

Valuation Date: December 31, 2024

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual Entry Age Normal
Single Discount Rate	4.08% as of December 31, 2024
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Participation Rates	Before age 65, participation rates vary from 30% to 70% based on years of City service. For the plan participants that are expected to not qualify for Medicare, 40% of current pre-65 retirees and 25% of current active employees were assumed to participate in the City's plan after the age of 65.
Healthcare cost trend rates	Initial rates of 7.2% declining to ultimate rates of 4.25% after 15 years.
Notes:	The Single Discount Rate changed from 3.77% as of December 31, 2023 to 4.08% as of December 31, 2024.

City of Bedford, Texas

Budgetary Comparison Schedule - General Fund
Year Ended September 30, 2025

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 37,746,618	$ 37,746,618	$ 36,576,867	$ (1,169,751)
Licenses, permits, and fees	1,080,890	1,080,890	1,781,516	700,626
Charges for services	2,522,740	2,522,716	3,217,928	695,212
Fines and forfeitures	1,316,500	1,316,500	1,201,927	(114,573)
Support from governmental entities	495,652	495,652	508,886	13,234
Interest	586,222	636,041	819,245	183,204
Miscellaneous	132,000	132,000	311,529	179,529
Total revenues	43,880,622	43,930,417	44,417,898	487,481
EXPENDITURES				
Current				
General government	2,308,320	2,218,585	2,067,260	151,325
Support services	3,050,064	3,099,187	2,774,197	324,990
Development	1,690,134	1,797,276	4,409,583	(2,612,307)
Public works	1,520,233	1,551,381	1,391,966	159,415
Administrative services	3,708,367	3,570,551	3,380,074	190,477
Police	16,155,892	16,222,617	15,130,270	1,092,347
Fire	12,152,089	12,206,255	12,167,895	38,360
Community Services	6,091,737	6,105,501	5,641,223	464,278
Capital outlay	608,800	1,004,708	2,643,558	(1,638,850)
Debt service				
Principal retirement	946,215	916,175	1,293,278	(377,103)
Interest and fiscal agent fees	-	-	61,760	(61,760)
Total expenditures	48,231,851	48,692,236	50,961,064	(2,268,828)
Excess (deficiency) of revenues over (under) expenditures	(4,351,229)	(4,761,819)	(6,543,166)	2,756,309
OTHER FINANCING SOURCES (USES)				
Transfers in	3,541,850	3,133,232	3,548,378	415,146
Transfers out	(19,000)	(2,610,980)	(2,643,561)	(32,581)
Issuance of debt- leases - SBITA	-	-	1,232,901	1,232,901
Proceeds from sale of capital assets	5,000	65,012	7,297,023	7,232,011
Insurance proceeds	-	136,092	104,786	(31,306)
Total other financing sources (uses)	3,527,850	723,356	9,539,527	8,816,171
Net change in fund balance	(823,379)	(4,038,463)	2,996,361	11,572,480
FUND BALANCES, beginning of year	15,410,505	15,410,505	15,410,505	-
FUND BALANCES, end of year	$ 14,587,126	$ 11,372,042	$ 18,406,866	$ 11,572,480

City of Bedford, Texas

Budgetary Comparison Schedule - Economic Development 4B Fund
Year ended September 30, 2025

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 4,306,038	$ 4,306,038	$ 4,103,028	$ (203,010)
Interest	196,861	196,861	265,977	69,116
Miscellaneous	-	-	24,720	24,720
Total revenues	4,502,899	4,502,899	4,393,725	(109,174)
EXPENDITURES				
Current				
Public works	2,356,858	2,356,858	1,840,768	516,090
Capital outlay	2,850,000	2,850,000	636,051	2,213,949
Debt service				
Principal retirement	625,000	625,000	625,611	(611)
Interest and fiscal agent fees	42,925	42,925	42,925	-
Total expenditures	5,874,783	5,874,783	3,145,355	2,729,428
Excess (deficiency) of revenues over (under) expenditures	(1,371,884)	(1,371,884)	1,248,370	2,620,254
OTHER FINANCING SOURCES (USES)				
Transfers out	(38,790)	(38,790)	(39,956)	(1,166)
Issuance of debt- leases - SBITA	-	-	12,586	12,586
Proceeds from sale of capital assets	-	-	69,275	69,275
Total other financing sources (uses)	(38,790)	(38,790)	41,905	80,695
Net changes in fund balance	(1,410,674)	(1,410,674)	1,290,275	2,700,949
FUND BALANCE, beginning of year	5,943,650	5,943,650	5,943,650	-
FUND BALANCE, end of year	$ 4,532,976	$ 4,532,976	$ 7,233,925	$ 2,700,949

City of Bedford, Texas

Budgetary Comparison Schedule - ARPA Fund
Year Ended September 30, 2025

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Interest	$ -	$ -	$ 224,833	$ 224,833
Miscellaneous	-	-	5,465,266	5,465,266
Total revenues	-	-	5,690,099	5,690,099
EXPENDITURES				
Current				
Support services	-	47,659	256,931	(209,272)
Capital Outlay	-	5,655,516	4,864,537	790,979
Debt service				
Principal retirement	-	351,585	351,585	-
Total expenditures	-	6,054,760	5,473,053	581,707
Excess (deficiency) of revenues over (under) expenditures	-	(6,054,760)	217,046	6,271,806
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	5,066	5,066
Transfers in	-	-	12,010	12,010
Total other financing sources (uses)	-	-	17,076	17,076
NET CHANGES IN FUND BALANCE	-	(6,054,760)	234,122	6,288,882
FUND BALANCE, beginning of year	449,687	449,687	449,687	-
FUND BALANCE, end of year	$ 449,687	$ (5,605,073)	$ 683,809	$ 6,288,882

Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted for the General, Debt Service, ARPA, Court Security, Court Technology, Tree Preservation, Tourism Development, Bedford Beautification, Economic Development 4B, SWAT Netcast, Public Safety Training, Municipal Jury, Truancy Prevention & Diversion, Public Education Government, Tax Increment Financing, and Drug Forfeiture funds using the modified accrual basis of accounting.

The City Council follows these procedures in establishing budgetary data reflected in the financial statements:

- Prior to August 15, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to September 30, the budget is legally enacted through passage of an ordinance.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council after public hearings.
- All unexpended appropriations lapse at year-end.

Actual results in excess of budgeted amounts from the General fund, and descriptions of circumstances leading to these results are as follows:

- Development ($2,612,307)
    - Amounts relate to a Development Incentive Agreement that was approved by Council, however, a budget amendment was not approved.
- Capital outlay ($1,638,850)
    - Amounts relate to expenditures related to the implementation of GASB 87 and 96 that were budgeted in another function/department.
- Principal retirement ($377,103)
    - Amounts relate to expenditures related to the implementation of GASB 87 and 96 that were budgeted in another function/department.
- Interest and fiscal agent fees ($61,760)
    - Amounts relate to expenditures related to the implementation of GASB 87 and 96 that were budgeted in another function/department.

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Combining Fund Statements and Schedules

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City of Bedford, Texas

Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2025

Special Revenue Funds

Special Revenue Funds – are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The City's nonmajor special revenue funds are as follows:

Court Security Fund – This fund accounts for monies collected under state statute designated to provide security for the Municipal Court facilities.

Court Security and Technology Fund - This fund is used for monies collected under state statute designed to provide increased technology and security for the Municipal Court facilities.

Court Technology Fund – This fund is used for monies collected under state statute designed to provide increased technology for the Municipal Court facilities.

Tree Preservation Fund – This fund is used to accumulate funding for a pay-as-you-go plan in tree preservation and reforestation needs.

Drug Forfeiture Fund – This fund accounts for monies received from participation in federal drug enforcement activities.

Bedford Beautification Fund – This fund accounts for revenue and expenditures related to various citywide beautification programs proposed by the City's Beautification Commission.

Public Education Government Fund – This fund accounts for the 1% fee that is collected along with the cable franchise fee to support to capital costs for public, educational, governmental (PEG) programming facilities.

Municipal Jury Fund – This fund accounts for funds collected under state statute to fund juror reimbursements for jury services.

Public Safety Training Fund – This fund accounts for funds received from state surplus to be used for police training.

Tourism Development Fund – This fund accounts for hotel/motel taxes received.

Tax Increment Financing Fund – This fund is used to fund the construction of needed public infrastructure improvements that will yield additional tax revenue to all local taxing jurisdictions.

Red Light Cameras Fund – This fund accounts for revenues generated from red light camera fines.

SWAT Netcast Fund – This fund accounts for revenue and expenditures for the SWAT related activities.

Truancy Prevention & Diversion Fund – This fund accounts for the salaries, benefits, training, and other expenses to fund a Juvenile Case Manager.

Various Grants Fund – This fund accounts for revenues and expenditures from multiple grants.

Capital Projects Funds

Capital Projects Funds – are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds. The City's nonmajor capital projects fund is as follows:

Street and Drainage Fund – to account for construction projects funded by developer agreements and assessments.

City of Bedford, Texas
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2025

	Special Revenue Funds						
	Court Security	Court Security and Technology	Court Technology	Tree Preservation	Drug Forfeiture	Bedford Beautification	Public Education Government
ASSETS							
Cash and cash equivalents	$ 11,673	$ 10,294	$ 2,600	$ 2,790	$ 35,748	$ 13,451	$ 97,443
Investments	-	12,509	12,293	12,298	172,358	59,640	437,451
Receivables							
Taxes, less allowance for uncollectible	-	-	-	-	-	-	13,044
Accounts	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Prepaids	-	-	-	-	-	-	-
Total assets	$ 11,673	$ 22,803	$ 14,893	$ 15,088	$ 208,106	$ 73,091	$ 547,938
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	$ 11,673	$ 18	$ -	$ -	$ -	$ 1,346	$ 2,784
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	11,673	18	-	-	-	1,346	2,784
Deferred inflows of resources							
Unavailable revenue	-	-	-	-	-	-	-
Fund Balances							
Nonspendable							
Inventories and prepaid items	-	-	-		-	-	-
Restricted:							
Street and drainage improvements	-	-	-	-	-	-	-
Public safety	-	22,785	14,893	-	208,106	-	-
Parks and beautification	-	-	-	15,088	-	71,745	-
Community services	-	-	-	-	-	-	545,154
Grants	-	-	-	-	-	-	-
Total fund balances	-	22,785	14,893	15,088	208,106	71,745	545,154
TOTAL LIABILITIES, DEFERRED INFLOWS, OF RESOURCES AND FUND BALANCES	$ 11,673	$ 22,803	$ 14,893	$ 15,088	$ 208,106	$ 73,091	$ 547,938

Special Revenue Funds								Capital Projects Fund	Total
Municipal Jury	Public Safety Training	Tourism Development	Tax Increment Financing	Red Light Cameras	SWAT Netcast	Truancy Prevention & Diversion	Various Grants	Street and Drainage	Nonmajor Governmental Funds
$ 151	$ 19,574	$ 568,582	$ 48,082	$ -	$ 12,407	$ 4,018	$ 3	$ 537,477	$ 1,364,293
916	85,208	2,650,553	210,100	-	48,638	30,945	55,635	2,382,514	6,171,058
-	-	-	-	-	-	-	-	-	13,044
-	-	131,873	-	-	-	-	13,847	-	145,720
-	-	-	-	-	-	-	-	236,243	236,243
-	-	6,487	-	-	-	-	-	-	6,487
$ 1,067	$ 104,782	$ 3,357,495	$ 258,182	$ -	$ 61,045	$ 34,963	$ 69,485	$ 3,156,234	$ 7,936,845
$ -	$ 408	$ 41,575	$ -	$ -	$ 93	$ 10	$ 1,342	$ -	$ 59,249
-	-	-	-	-	-	-	62,046	-	62,046
-	-	5,815	-	-	-	-	-	6,000	11,815
-	408	47,390	-	-	93	10	63,388	6,000	133,110
-	-	-	-	-	-	-	-	236,243	236,243
-	-	6,487	-	-	-	-	-	-	6,487
-	-	-	-	-	-	-	-	2,913,991	2,913,991
1,067	104,374	-	-	-	60,952	34,953	-	-	447,130
-	-	-	-	-	-	-	-	-	86,833
-	-	3,303,618	258,182	-	-	-	-	-	4,106,954
-	-	-	-	-	-	-	6,097	-	6,097
1,067	104,374	3,310,105	258,182	-	60,952	34,953	6,097	2,913,991	7,567,492
$ 1,067	$ 104,782	$ 3,357,495	$ 258,182	$ -	$ 61,045	$ 34,963	$ 69,485	$ 3,156,234	$ 7,936,845

City of Bedford, Texas

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
Year Ended September 30, 2025

	Special Revenue Funds						
	Court Security	Court Security and Technology	Court Technology	Tree Preservation	Drug Forfeiture	Bedford Beautification	Public Education Government
REVENUES							
Taxes, penalty and interest	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,326
Charges for service	-	-	-	-	-	-	-
Fines and forfeitures	18,940	22,479	15,846	-	-	-	-
Support from governmental entities	-	-	-	-	-	-	-
Interest	1,168	-	419	643	9,059	3,208	22,433
Miscellaneous	-	-	-	-	10,000	10,000	-
Total revenues	20,108	22,479	16,265	643	19,059	13,208	64,759
EXPENDITURES							
Current							
General government	-	-	-	-	-	-	17,860
Police	-	-	33,636	-	23,000	-	-
Community services	-	-	-	-	-	4,943	-
Capital outlay	11,673	-	-	-	-	8,225	151,923
Debt Service							
Principal	-	-	-	-	-	-	48,599
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	11,673	-	33,636	-	23,000	13,168	218,382
Excess (deficiency) of revenues over (under) expenditures	8,435	22,479	(17,371)	643	(3,941)	40	(153,623)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	306	-	-	-	-	-
Transfers out	(38,587)	-	-	-	-	-	-
Proceeds from sale of capital assets	41	-	41	41	569	197	1,444
Issuance of debt - leases - SBITA	-	-	-	-	-	-	151,923
Total other financing sources (uses)	(38,546)	306	41	41.00	569	197	153,367
NET CHANGES IN FUND BALANCE	(30,111)	22,785	(17,330)	684	(3,372)	237	(256)
FUND BALANCE, beginning of year	30,111	-	32,223	14,404	211,478	71,508	545,410
FUND BALANCE, end of year	$ -	$ 22,785	$ 14,893	$ 15,088	$ 208,106	$ 71,745	$ 545,154

Special Revenue Funds								Capital Projects Fund	Total
Municipal Jury	Public Safety Training	Tourism Development	Tax Increment Financing	Red Light Cameras	SWAT Netcast	Truancy Prevention & Diversion	Various Grants	Street and Drainage	Nonmajor Governmental Funds
$ -	$ -	$ 1,231,302	$ 51,056	$ -	$ -	$ -	$ -	$ -	$ 1,324,684
-	-	85,902	-	-	-	-	-	-	85,902
615	-	-	-	-	-	28,587	-	-	86,467
-	39,316	-	-	-	57,000	-	17,673	-	113,989
49	3,617	133,625	9,788	-	3,877	1,746	2,791	124,629	317,052
-	-	13,344	-	-	-	-	-	-	33,344
664	42,933	1,464,173	60,844	-	60,877	30,333	20,464	124,629	1,961,438
-	-	-	-	-	-	-	-	-	17,860
-	3,163	-	-	-	106,544	-	14,659	-	181,002
-	-	839,707	-	-	-	-	1,038	-	845,688
-	-	103,006	-	-	-	-	-	-	274,827
-	-	2,847	-	-	-	-	-	-	51,446
-	-	44	-	-	-	-	-	-	44
-	3,163	945,604	-	-	106,544	-	15,697	-	1,370,867
664	39,770	518,569	60,844	-	(45,667)	30,333	4,767	124,629	590,571
-	-	-	-	-	19,000	-	-	-	19,306
(715)	-	(297,830)	-	(2,591)	-	(36,853)	-	-	(376,576)
3	281	8,749	694	-	161	102	184	7,864	20,371
-	-	-	-	-	-	-	-	-	151,923
(712)	281	(289,081)	694	(2,591)	19,161	(36,751)	184	7,864	(184,976)
(48)	40,051	229,488	61,538	(2,591)	(26,506)	(6,418)	4,951	132,493	405,595
1,115	64,323	3,080,617	196,644	2,591	87,458	41,371	1,146	2,781,498	7,161,897
$ 1,067	$ 104,374	$ 3,310,105	$ 258,182	$ -	$ 60,952	$ 34,953	$ 6,097	$ 2,913,991	$ 7,567,492

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Nonmajor Governmental Funds

Special Revenue Funds

Annual budgets are adopted using the modified accrual basis of accounting for the following funds.

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual Nonmajor Special Revenue Funds
Year Ended September 30, 2025

	Court Security			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Fines and forfeitures	$ 37,000	$ 37,000	$ 18,940	$ (18,060)
Interest	1,281	1,281	1,168	(113)
Total revenues	38,281	38,281	20,108	(18,173)
EXPENDITURES				
Current				
Police	-	-	-	-
Capital outlay	-	11,673	11,673	-
Total expenditures	-	11,673	11,673	-
Excess (deficiency) of revenues over (under) expenditures	38,281	26,608	8,435	(18,173)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	41	(41)
Transfers out	(38,281)	(38,281)	(38,587)	(306)
Total other financing sources (uses)	(38,281)	(38,281)	(38,546)	(347)
NET CHANGES IN FUND BALANCE	-	(11,673)	(30,111)	(18,520)
FUND BALANCE, beginning of year	30,111	30,111	30,111	-
FUND BALANCE, end of year	$ 30,111	$ 18,438	$ -	$ (18,520)

Court Technology				Tree Preservation			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
$ 33,000	$ 33,000	$ 15,846	$ (17,154)	$ -	$ -	$ -	$ -
1,513	1,513	419	(1,094)	460	460	643	183
34,513	34,513	16,265	(18,248)	460	460	643	183
34,681	34,681	33,636	1,045	-	-	-	-
-	-	-	-	-	-	-	-
34,681	34,681	33,636	1,045	-	-	-	-
(168)	(168)	(17,371)	(17,203)	460	460	643	183
-	-	41	(41)	10,000	10,000	41	9,959
-	-	-	-	-	-	-	-
-	-	41	(41)	10,000	10,000	41	9,959
(168)	(168)	(17,330)	(17,244)	10,460	10,460	684	10,142
32,223	32,223	32,223	-	14,404	14,404	14,404	-
$ 32,055	$ 32,055	$ 14,893	$ (17,244)	$ 24,864	$ 24,864	$ 15,088	$ 10,142

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual Nonmajor Special Revenue Funds – Continued
Year Ended September 30, 2025

	Bedford Beautification			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Taxes, penalty and interest	$ -	$ -	$ -	$ -
Charges for service	-	-	-	-
Support from governmental entities	-	-	-	-
Interest	2,845	2,845	3,208	363
Miscellaneous	10,000	10,000	10,000	-
Total revenues	12,845	12,845	13,208	363
EXPENDITURES				
Current				
Community services	25,000	25,000	4,943	20,057
Police	-	-	-	-
Capital Outlay	-	-	8,225	(8,225)
Debt service				
Principal	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	25,000	25,000	13,168	11,832
Excess (deficiency) of revenues over (under) expenditures	(12,155)	(12,155)	40	(11,469)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	197	(197)
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	197	(197)
NET CHANGES IN FUND BALANCE	(12,155)	(12,155)	237	(11,666)
FUND BALANCE, beginning of year	71,508	71,508	71,508	-
FUND BALANCE, end of year	$ 59,353	$ 59,353	$ 71,745	$ (11,666)

Public Safety Training				Tourism Development			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
$ -	$ -	$ -	$ -	$ 1,315,000	$ 1,315,000	$ 1,231,302	$ (83,698)
-	-	-	-	73,506	73,506	85,902	12,396
7,100	7,100	39,316	32,216	-	-	-	-
2,291	2,291	3,617	1,326	99,014	99,014	133,625	34,611
-	-	-	-	-	-	13,344	13,344
9,391	9,391	42,933	33,542	1,487,520	1,487,520	1,464,173	(23,347)
-	-	-	-	909,508	909,508	839,707	69,801
7,250	7,250	3,163	4,087	-	-	-	-
-	-	-	-	260,000	260,000	103,006	156,994
-	-	-	-	-	-	2,847	(2,847)
-	-	-	-	-	-	44	(44)
7,250	7,250	3,163	4,087	1,169,508	1,169,508	945,604	223,904
2,141	2,141	39,770	29,455	318,012	318,012	518,569	200,557
-	-	281	(281)	-	-	8,749	(8,749)
-	-	-	-	(297,830)	(297,830)	(297,830)	-
-	-	281	(281)	(297,830)	(297,830)	(289,081)	(8,749)
2,141	2,141	40,051	29,174	20,182	20,182	229,488	191,808
64,323	64,323	64,323	-	3,080,617	3,080,617	3,080,617	-
$ 66,464	$ 66,464	$ 104,374	$ 29,174	$ 3,100,799	$ 3,100,799	$ 3,310,105	$ 191,808

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual Nonmajor Special Revenue Funds – Continued
Year Ended September 30, 2025

	SWAT Netcast			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Fines and forfeitures	$ -	$ -	$ -	$ -
Support from governmental entities	57,000	57,000	57,000	-
Interest	1,958	1,958	3,877	1,919
Total revenues	58,958	58,958	60,877	1,919
EXPENDITURES				
Current				
Police	75,498	121,200	106,544	14,656
Total expenditures	75,498	121,200	106,544	14,656
Excess (deficiency) of revenues over (under) expenditures	(16,540)	(62,242)	(45,667)	16,575
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	161	161
Transfers in	19,000	19,000	19,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	19,000	19,000	19,161	161
NET CHANGES IN FUND BALANCE	2,460	(43,242)	(26,506)	16,736
FUND BALANCE, beginning of year	87,458	87,458	87,458	-
FUND BALANCE, end of year	$ 89,918	$ 44,216	$ 60,952	$ 16,736

Municipal Jury				Truancy Prevention & Diversion			
Original Budget	Final Budget	Actual	Variance from Budget	Original Budget	Final Budget	Actual	Variance from Budget
$ 700	$ 700	$ 615	$ (85)	$ 35,000	$ 35,000	$ 28,587	$ (6,413)
-	-	-	-	-	-	-	-
49	49	49	-	1,853	1,853	1,746	(107)
749	749	664	(85)	36,853	36,853	30,333	(6,520)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
749	749	664	(85)	36,853	36,853	30,333	(6,520)
-	-	3	(3)	-	-	102	(102)
-	-	-	-	-	-	-	-
(715)	(715)	(715)	-	(36,853)	(36,853)	(36,853)	-
(715)	(715)	(712)	(3)	(36,853)	(36,853)	(36,751)	(102)
34	34	(48)	(88)	-	-	(6,418)	(6,622)
1,115	1,115	1,115	-	41,371	41,371	41,371	-
$ 1,149	$ 1,149	$ 1,067	$ (88)	$ 41,371	$ 41,371	$ 34,953	$ (6,622)

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual Nonmajor Special Revenue Funds – Continued
Year Ended September 30, 2025

	Public Education Government			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Taxes, penalty and interest	$ 70,000	$ 70,000	$ 42,326	$ (27,674)
Interest	23,646	23,646	22,433	(1,213)
Total revenues	93,646	93,646	64,759	(28,887)
EXPENDITURES				
Current				
General government	80,740	80,740	17,860	62,880
Capital outlay	-	-	151,923	(151,923)
Debt service				
Principal	-	-	48,599	(48,599)
Total expenditures	80,740	80,740	218,382	(137,642)
Excess (deficiency) of revenues over (under) expenditures	12,906	12,906	(153,623)	(166,529)
OTHER FINANCING SOURCES (USES)				
Issuance of debt - leases - SBITA	-	-	151,923	(151,923)
Proceeds from sale of capital assets	-	-	1,444	(1,444)
Total other financing sources (uses)	-	-	153,367	(153,367)
NET CHANGES IN FUND BALANCE	12,906	12,906	(256)	(319,896)
FUND BALANCE, beginning of year	545,410	545,410	545,410	-
FUND BALANCE, end of year	$ 558,316	$ 558,316	$ 545,154	$ (319,896)

Tax Increment Financing			
Original Budget	Final Budget	Actual	Variance from Budget
$ 110,000	$ 110,000	$ 51,056	$ (58,944)
3,470	3,470	9,788	6,318
113,470	113,470	60,844	(52,626)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
113,470	113,470	60,844	(52,626)
-	-	-	-
-	-	694	(694)
-	-	694	(694)
113,470	113,470	61,538	(53,320)
196,644	196,644	196,644	-
$ 310,114	$ 310,114	$ 258,182	$ (53,320)

City of Bedford, Texas

Individual Schedules of Revenues, Expenditures and
Changes in Fund Balances – Budget and Actual Nonmajor Special Revenue Funds – Continued
Year Ended September 30, 2025

	Drug Forfeiture			
	Original Budget	Final Budget	Actual	Variance from Budget
REVENUES				
Interest	$ 4,871	$ 4,871	$ 9,059	$ 4,188
Miscellaneous	-	-	10,000	10,000
Total revenues	4,871	4,871	19,059	14,188
EXPENDITURES				
Current				
Police	-	23,000	23,000	-
Total expenditures	-	23,000	23,000	-
Excess (deficiency) of revenues over (under) expenditures	4,871	(18,129)	(3,941)	14,188
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	569	(569)
Total other financing sources (uses)	-	-	569	(569)
NET CHANGES IN FUND BALANCE	4,871	(18,129)	(3,372)	13,619
FUND BALANCE, beginning of year	211,478	211,478	211,478	-
FUND BALANCE, end of year	$ 216,349	$ 193,349	$ 208,106	$ 13,619

Debt Service Fund

Debt Service Fund is used to account for the accumulation of resources for the repayment of long-term debt.

City of Bedford, Texas

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual Debt Service Fund
Year Ended September 30, 2025

	Budget Amounts		Actual GAAP Basis	Variance with Final Budget Positive or (Negative)
	Original	Final		
REVENUES				
Taxes, penalty and interest	$ 8,154,515	$ 8,154,515	$ 8,183,470	$ 28,955
Interest	86,261	86,261	76,312	(9,949)
Total revenues	8,240,776	8,240,776	8,259,782	19,006
EXPENDITURES				
Capital Outlay	-	-	6,293	(6,293)
Debt service				
Principal retirement	4,870,000	4,870,000	4,870,765	(765)
Interest and fiscal agent fees	3,736,530	3,736,530	3,721,918	14,612
Total expenditures	8,606,530	8,606,530	8,598,976	7,554
Excess (deficiency) of revenues over (under) expenditures	(365,754)	(365,754)	(339,194)	26,560
OTHER FINANCING SOURCES (USES)				
Issuance of debt - leases - SBITA	-	-	6,293	6,293
Proceeds from sale of capital assets	-	-	928	928
Total other financing sources (uses)	-	-	7,221	7,221
NET CHANGES IN FUND BALANCE	(365,754)	(365,754)	(331,973)	33,781
FUND BALANCE, beginning of year	513,958	513,958	513,958	-
FUND BALANCE, end of year	$ 148,204	$ 148,204	$ 181,985	$ 33,781

Internal Service Funds

Facilities Maintenance Fund – This internal service fund was established to have a pay-as-you-go maintenance fund for City facilities. Funding is provided through an operating transfer from the General Fund. This allows the accumulation of funds for larger maintenance efforts that cannot be absorbed in the operating budget.

Equipment Replacement Fund – This internal service fund accumulates funding for the replacement of City vehicles and equipment. With the adoption of this vehicle replacement program through Enterprise, the fund receives operating transfers for the lease costs of vehicles paid from this fund.

Computer Replacement Fund – This internal service fund was established to have a pay-as-you-go fund for computer and server replacement. Funding is provided through an operating transfer from the General Fund. This allows the accumulation of funds for larger capital purchases that cannot be absorbed in the operating budget.

City of Bedford, Texas

Combining Statement of Net Position - Internal Service Funds
September 30, 2025

	Facilities Maintenance Fund	Equipment Replacement Fund	Computer Replacement Fund	Total Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	$ 85,158	$ 2,416,788	$ 63,230	$ 2,565,176
Investments	174,062	-	225,600	399,662
Total current assets	259,220	2,416,788	288,830	2,964,838
Noncurrent assets				
Property, plant and equipment				
Subscription asset	-	170,120	-	170,120
Less accumulated depreciation	-	(20,525)	-	(20,525)
Property, plant and equipment, net	-	149,595	-	149,595
Total noncurrent assets	-	149,595	-	149,595
Total assets	259,220	2,566,383	288,830	3,114,433
LIABILITIES				
Current liabilities				
Accrued interest	-	4,578	-	4,578
Current portion of subscription payable	-	35,186	-	35,186
Total current liabilities	-	39,764	-	39,764
Noncurrent liabilities				
Subscription liability	-	114,409	-	114,409
Total noncurrent liabilities	-	114,409	-	114,409
Total liabilities	-	154,173	-	154,173
NET POSITION				
Unrestricted	259,220	2,412,210	288,830	2,960,260
TOTAL NET POSITION	$ 259,220	$ 2,412,210	$ 288,830	$ 2,960,260

City of Bedford, Texas

Combining Statement of Revenues, Expenses, and Changes
in Fund Net Position – Internal Service Funds
Year Ended September 30, 2025

	Facilities Maintenance Fund	Equipment Replacement Fund	Computer Replacement Fund	Total Internal Service Funds
NONOPERATING REVENUES (EXPENSES)				
Interest income	$ -	$ 7,828	$ -	$ 7,828
Total nonoperating revenues (expenses)	-	7,828	-	7,828
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	-	7,828	-	7,828
TRANSFERS IN	259,220	2,404,382	288,830	2,952,432
CHANGE IN NET POSITION	259,220	2,412,210	288,830	2,960,260
NET POSITION, end of year	$ 259,220	$ 2,412,210	$ 288,830	$ 2,960,260

City of Bedford, Texas

Combining Statement of Cash Flows - Internal Service Funds
Year Ended September 30, 2025

	Facilities Maintenance Fund	Equipment Replacement Fund	Computer Replacement Fund	Total Internal Service Funds
OPERATING ACTIVITIES				
Payments to suppliers	$ -	$ 25,103	$ -	$ 25,103
Net cash provided by operating activities	-	25,103	-	25,103
NONCAPITAL FINANCING ACTIVITIES				
Transfers in	259,220	2,404,382	288,830	2,952,432
Net cash provided by noncapital financing activities	259,220	2,404,382	288,830	2,952,432
CAPITAL AND RELATED FINANCING ACTIVITIES				
Issuance of capital related debt	-	149,595	-	149,595
Acquisition and construction of capital assets	-	(170,120)	-	(170,120)
Net cash used in capital and related financing activities	-	(20,525)	-	(20,525)
INVESTING ACTIVITIES				
Purchase of investments	(174,062)	-	(225,600)	(399,662)
Interest on investments	-	7,828	-	7,828
Net cash provided by (used in) investing activities	(174,062)	7,828	(225,600)	(391,834)
NET INCREASE IN CASH AND CASH EQUIVALENTS	85,158	2,416,788	63,230	2,565,176
CASH AND CASH EQUIVALENTS, beginning of year	-	-	-	-
CASH AND CASH EQUIVALENTS, end of year	$ 85,158	$ 2,416,788	$ 63,230	$ 2,565,176
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	$ -	$ -	-	$ -
Adjustments to reconcile operating income to net cash provided by operating activities				
Changes in				
Accrued liabilities	-	4,578	-	4,578
SBITA	-	20,525	-	20,525
Net cash provided by operating activities	$ -	$ 25,103	$ -	$ 25,103

Statistical Section (Unaudited)

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Statistical Section

This part of the City of Bedford's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. The tables herein, are unaudited.

Contents

Page

Financial Trends 111

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 120

These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity 128

These schedules contain trend information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 134

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.

Operating Information 139

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules are derived from Annual Comprehensive Financial Reports for the relevant year.

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Financial Trends

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City of Bedford, Texas

Table 1

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016**	2017***	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	$ 16,607,993	$ 16,730,480	$ 20,557,161	$ 26,261,635	$ 30,869,433	$ 28,141,175	$ 45,065,050	$ 51,122,939	$ 57,348,929	$ 56,006,750
Restricted	9,411,339	9,064,137	7,368,500	7,222,051	6,520,240	10,818,317	11,044,351	11,913,236	13,555,209	16,097,172
Unrestricted	(3,727,742)	(3,770,175)	(1,847,912)	(3,266,088)	2,257,244	(10,049,428)	(18,136,083)	(16,065,537)	(13,585,901)	(11,152,542)
Total governmental activities net position	$ 22,291,590	$ 22,024,442	$ 26,077,749	$ 30,217,598	$ 39,646,917	$ 28,910,064	$ 37,973,318	$ 46,970,638	$ 57,318,237	$ 60,951,380
Business-type Activities										
Net investment in capital assets	$ 34,388,626	$ 35,250,028	$ 36,338,584	$ 39,510,350	$ 39,149,012	$ 40,412,557	$ 41,873,167	$ 44,946,022	$ 48,905,207	$ 53,459,847
Restricted	-	6,691	6,691	6,691	6,691	6,691	-	-	-	-
Unrestricted	4,454,409	5,099,493	6,262,758	4,168,137	6,609,492	6,374,692	8,985,299	13,013,411	12,858,437	12,856,761
Total business-type activities, net position	$ 38,843,035	$ 40,356,212	$ 42,608,033	$ 43,685,178	$ 45,765,195	$ 46,793,940	$ 50,858,466	$ 57,959,433	$ 61,763,644	$ 66,316,608
Primary Government										
Net investment in capital assets	$ 50,996,619	$ 51,980,508	$ 56,895,745	$ 65,771,985	$ 70,018,445	$ 68,553,732	$ 86,938,217	$ 96,068,961	$ 106,254,136	$ 109,466,597
Restricted	9,411,339	9,070,828	7,375,191	7,228,742	6,526,931	10,825,008	11,044,351	11,913,236	13,555,209	16,097,172
Unrestricted	726,667	1,329,318	4,414,846	902,049	8,866,736	(3,674,736)	(9,150,784)	(3,052,126)	(727,464)	1,704,219
Total primary government net position	$ 61,134,625	$ 62,380,654	$ 68,685,782	$ 73,902,776	$ 85,412,112	$ 75,704,004	$ 88,831,784	$ 104,930,071	$ 119,081,881	$ 127,267,988

**Amounts for 2016 were restated to reflect the effects of prior period adjustment as described in prior financial statements

***Amounts for 2017 were restated to reflect the effects of GASB Statement No. 75

City of Bedford, Texas
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental activities				
General government and administration	$ 5,429,870	$ 5,172,343	$ 5,358,893	$ 5,387,669
Development	1,876,441	1,811,320	2,316,201	2,624,216
Public services	5,983,295	5,421,724	5,696,229	6,823,307
Public safety	20,780,556	22,016,970	22,212,547	22,464,281
Community services	4,364,247	5,418,465	5,315,999	5,426,554
Interest expense	932,371	750,473	1,264,535.00	2,945,605
Total governmental activities expense	39,366,780	40,591,295	42,164,404	45,671,632
Business-type activities				
Water and sewer services	17,510,256	18,565,424	19,193,627.00	19,954,614
Stormwater collection and disposal	874,192	873,153	972,189	1,145,538
Total business-type activities expenses	18,384,448	19,438,577	20,165,816	21,100,152
Total primary government program expenses	$ 57,751,228	$ 60,029,872	$ 62,330,220	$ 66,771,784
Program revenues				
Governmental activities				
Charges for services				
General government and administration	$ 91,702	$ 92,875	$ 92,114.00	$ 87,355
Community services	310,534	330,216	1,277,634.00	1,115,387
Public services	1,102,811	934,551	644	983
Public safety	3,837,145	4,030,313	4,281,278	3,921,718
Leisure services	1,158,145	1,091,945	1,068,533	1,051,300
Operating grants and contributions	41,653	24,828	45,842	63,548
Capital grants and contributions	135,258	511,184	731,673	282,931
Total governmental activities program revenues	6,677,248	7,015,912	7,497,718	6,523,222
Business-type activities				
Charges for services				
Water and sewer services	20,267,092	20,995,798	22,528,181.00	22,243,765
Stormwater collection and disposal	1,303,734	1,660,438	1,695,337	1,633,428
Capital grants and contributions	162,647	625,677	209,972	56,143
Total business-type activities program revenues	21,733,473	23,281,913	24,433,490	23,933,336
Total primary government program revenues	$ 28,410,721	$ 30,297,825	$ 31,931,208	$ 30,456,558

Fiscal Year						
2020	2021	2022	2023	2024	2025	
$ 6,156,789	$ 9,841,070	$ 7,941,147	$ 9,094,971	$ 8,438,877	$ 9,338,596	
2,027,787	4,667,871	2,264,255	2,338,754	2,183,446	8,759,910	
5,312,274	5,977,891	4,962,341	5,300,817	4,908,967	3,707,746	
22,347,021	35,129,701	27,843,780	26,664,613	27,398,499	29,426,802	
4,627,770	6,239,508	4,851,279	6,211,225	7,331,409	9,657,453	
2,753,347	2,575,508	2,488,857	2,629,240	3,345,383	3,826,647	
43,224,988	64,431,549	50,351,659	52,239,620	53,606,581	64,717,154	
19,939,424	20,341,759	21,071,772	20,773,896	23,670,159	26,154,176	
973,147	1,102,992	966,350	1,064,196	1,308,293	1,255,616	
20,912,571	21,444,751	22,038,122	21,838,092	24,978,452	27,409,792	
$ 64,137,559	$ 85,876,300	$ 72,389,781	$ 74,077,712	$ 78,585,033	$ 92,126,946	
$ 87,443	$ 100,914	$ 84,800	$ 322,502	$ 249,436	$ 298,231	
1,125,668	948,562	1,139,417	872,022	1,580,083	1,657,524	
235	-	-	69,070	21,211	42,811	
3,570,409	3,578,738	4,562,056	4,851,809	4,819,608	4,558,983	
94,790	95,095	167,546	174,435	308,331	351,977	
1,980,380	825,951	3,659,949	1,330,676	1,425,775	5,980,141	
584,841	768,381	379,518	2,575,096	110,185	113,989	
7,443,766	6,317,641	9,993,286	10,195,610	8,514,629	13,003,656	
23,381,490	23,484,233	26,430,327	26,839,829	27,664,498	30,101,605	
1,700,008	1,700,019	1,867,408	1,885,025	1,886,636	1,882,333	
150,816	411,778	483,905	1,243,197	-	1,361,382	
25,232,314	25,596,030	28,781,640	29,968,051	29,551,134	33,345,320	
$ 32,676,080	$ 31,913,671	$ 38,774,926	$ 40,163,661	$ 38,065,763	$ 46,348,976	

City of Bedford, Texas
Changes in Net Position – Continued
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018	2019
Net (expense) revenues				
Governmental activities	$ (32,689,533)	$ (34,666,686)	$ (39,148,410)	$ (35,781,222)
Business-type activities	3,349,025	4,267,674	2,833,184	4,319,743
Total primary government net expense	(29,340,508)	(30,399,012)	(36,315,226)	(31,461,479)
General revenues and other				
Changes in net position				
Governmental activities				
Taxes				
Property	15,507,727	16,273,095	19,143,856	22,131,826
Sales	10,787,539	10,905,398	10,936,716	11,739,682
Franchise and occupancy	3,432,957	3,331,500	3,432,589	3,209,965
Other	1,358,741	1,070,774	954,751	1,032,118
Unrestricted grants and contributions	-	231,388	237,958	-
Investment earnings	86,353	227,800	987,778	2,184,375
Miscellaneous and gain on the sale of capital assets	4,526,458	140,792	26,190,160	126,100
Transfers	2,644,416	2,697,694	2,827,805.00	2,864,193
Total governmental activities	38,344,191	34,878,441	64,711,613	43,288,259
Business-type activities				
Investment earnings	174,144	356,632	811,952	1,006,994
Miscellaneous	(39,892)	-	-	101,160
Transfers	(2,644,416)	(2,697,694)	(2,827,805)	(2,864,193)
Total business-type activities	(2,510,164)	(2,341,062)	(2,015,853)	(1,756,039)
Total primary government	35,834,027	32,537,379	62,695,760	41,532,220
Change in net position				
Government activities	5,654,658	1,303,058	4,588,152	4,139,849
Business-type activities	838,861	1,502,274	2,251,821	1,077,145
Total primary government	$ 6,493,519	$ 2,805,332	$ 6,839,973	$ 5,216,994

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ (58,113,908)	$ (40,358,373)	$ (40,358,373)	$ (42,044,010)	$ (45,091,952)	$ (51,713,498)
4,151,279	6,743,518	6,743,518	8,129,959	4,572,682	5,935,528
(53,962,629)	(33,614,855)	(33,614,855)	(33,914,051)	(40,519,270)	(45,777,970)
24,479,357	25,362,585	25,361,450	25,820,017	27,981,642	29,436,036
12,201,337	13,729,929	15,606,501	16,180,126	16,511,500	16,612,082
3,651,973	3,881,342	4,390,904	4,435,600	4,352,627	4,106,107
18,000	-	-	-	-	-
-	-	-	-	-	-
1,355,958	379,552	437,720	2,158,253	2,329,443	3,291,865
731,554	564,168	733,385	(710,466)	1,129,264	440,277
2,772,362	3,459,479	2,962,703	3,157,800	3,135,075	3,472,033
45,210,541	47,377,055	49,492,663	51,041,330	55,439,551	57,358,400
542,904	336,945	346,006	1,753,082	2,366,604	1,930,278
(10,268)	-	(61,546)	375,726	-	208,681
(2,772,362)	(3,459,479)	(2,962,703)	(3,157,800)	(3,135,075)	(3,472,033)
(2,239,726)	(3,122,534)	(2,678,243)	(1,028,992)	(768,471)	(1,333,074)
42,970,815	44,254,521	46,814,420	50,012,338	54,671,080	56,025,326
9,429,319	(10,736,853)	9,134,290	8,997,320	10,347,599	5,644,902
2,080,017	1,028,745	4,065,275	7,100,967	3,804,211	4,602,454
$ 11,509,336	$ (9,708,108)	$ 13,199,565	$ 16,098,287	$ 14,151,810	$ 10,247,356

City of Bedford, Texas **Table 3**

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016**	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	$ 236,097	$ 30,104	$ 24,572	$ 33,491	$ 38,089	$ 48,007	$ 43,702	$ 31,317	$ 166,012	$ 167,674
Restricted	35,464	35,464	35,464	35,464	35,464	35,464	-	-	-	436,448
Assigned	140,000	-	-	-	-	-	-	-	566,407	-
Committed - special projects	4,486,890	-	-	-	-	-	-	-	-	-
Unassigned	7,437,211	11,873,958	13,587,512	12,823,875	17,752,892	20,881,030	12,113,153	13,935,875	14,678,086	17,802,744
Total general fund	$ 12,335,662	$ 11,939,526	$ 13,647,548	$ 12,892,830	$ 17,826,445	$ 20,964,501	$ 12,156,855	$ 13,967,192	$ 15,410,505	$ 18,406,866
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -		$ 378	$ 25	$ 6,487
Restricted for										
Debt service	944,473	973,557	1,049,549	1,087,072	1,055,347	1,093,161	1,557,821	775,844	513,958	181,985
Street and drainage improvements	2,274,285	2,392,382	2,390,700	2,457,154	2,507,056	2,521,553	2,537,851	2,643,158	2,781,498	2,913,991
Capital acquisition and construction	1,184,007	828,271	61,113,475	62,640,687	68,344,678	43,959,474	18,871,261	29,881,073	44,399,782	39,075,209
Economic development	4,515,434	4,465,576	4,224,387	3,592,669	3,413,108	4,949,824	4,904,331	5,145,124	5,943,650	7,233,925
Community services	-	-	-	-	-	-	1,775,004.00	3,054,131	3,822,646	4,106,954
Public safety	279,938	210,675	212,830	208,740	205,401	204,599	376,959	428,844	470,670	447,130
Parks and beautification	109,323	120,624	138,990	150,766	154,388	165,824	111,879	110,867	85,912	86,833
Grants	68,415	68,215	66,611	84,029	96,747	156,608	-	84,724	450,833	689,906
Unassigned	-	-	-	-	-	-	-	3,000	-	-
Total all other governmental funds	$ 9,375,875	$ 9,059,300	$ 69,196,542	$ 70,221,117	$ 75,776,725	$ 53,051,043	$ 30,135,106	$ 42,127,143	$ 58,468,974	$ 54,742,420

**Amounts for 2016 were restated to reflect the effects of prior period adjustment as described in prior financial statements

City of Bedford, Texas **Table 4**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
REVENUES										
Taxes, penalties and interest	$ 30,859,702	$ 31,805,280	$ 34,728,875	$ 38,132,727	$ 40,180,922	$ 43,059,775	$ 45,256,610	$ 46,414,383	$ 48,773,012	$ 50,188,049
Licenses and permits	692,700	1,056,327	1,004,797.00	1,003,348	1,030,639	877,104	1,199,366	1,097,630	1,805,705	1,781,516
Charges for services	3,959,448	3,332,863	3,651,650	3,335,686	2,427,403	2,362,785	2,534,066	2,569,243	3,170,170	3,303,830
Fines and forfeitures	1,660,311	1,742,325	1,802,258	1,476,392	1,047,963	1,050,174	1,173,223	1,535,956	1,372,523	1,288,394
Support from governmental entities	365,533	694,134	686,310	520,990	678,278	508,487	1,174,635	1,482,918	840,716	622,875
Interest	86,353	227,800	987,779	2,184,375	1,355,958	379,552	437,720	2,158,253	3,302,981	3,381,524
Miscellaneous	4,792,905	223,805	228,312	239,819	2,729,381	1,156,985	4,308,029	1,720,629	1,954,682	5,834,859
Total revenues	42,416,952	39,082,534	43,089,981	46,893,337	49,450,544	49,394,862	56,083,649	56,979,012	61,219,789	66,401,047
EXPENDITURES										
General government	2,005,931	2,335,285	2,387,709.00	2,402,492	3,490,409	4,058,025	4,273,746	2,426,971	2,101,167	2,085,120
Support Services	-	-	-	-	-	-	-	2,527,874	2,743,609	3,031,128
Development	-	-	-	-	-	-	-	2,238,151	1,897,778	6,610,557
Community services	1,806,262	1,744,784	2,175,457	2,457,588	1,896,732	2,199,231	2,182,902	5,351,846	6,577,673	6,501,569
Public works	3,263,538	2,937,472	3,326,194	5,199,368	4,170,468	4,297,394	4,438,626	3,813,158	3,431,153	3,232,734
Administrative services	2,194,218	2,659,858	2,741,039	2,707,621	2,502,610	3,326,890	3,448,098	3,431,836	3,254,772	3,384,473
Public safety	19,383,973	20,243,699	20,602,308	20,909,014	21,672,049	22,752,399	27,527,203	-	-	-
Police	-	-	-	-	-	-	-	14,813,799	15,364,902	15,311,272
Fire	-	-	-	-	-	-	-	10,932,175	11,837,333	12,167,895
Leisure services	4,290,997	4,306,461	4,221,724	4,277,851	3,612,983	3,704,325	4,189,183	-	-	-
Capital outlay	2,943,455	2,917,962	1,460,298	6,274,316	6,752,435	31,305,181	38,017,850	12,060,497	9,722,935	13,320,968
Debt service										
Principal retirement	1,119,668	912,214	847,728.00	4,717,422	4,825,799	2,829,834	5,210,000	6,426,315	6,967,409	7,197,567
Interest and fiscal agent fees	5,698,767	5,914,341	7,069,573	3,433,233	3,028,661	4,644,489	2,733,024	2,787,577	3,297,651	3,826,647
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	$ 42,706,809	$ 43,972,076	$ 44,832,030	$ 52,378,905	$ 51,952,146	$ 79,117,768	$ 92,020,632	$ 66,810,199	$ 67,196,382	$ 76,669,930

City of Bedford, Texas **Table 4**

Changes in Fund Balances of Governmental Funds – Continued

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (289,857)	$ (4,889,542)	$ (1,742,049)	$ (5,485,568)	$ (2,501,602)	$ (29,722,906)	$ (35,936,983)	$ (9,831,187)	$ (5,976,593)	$ (10,268,883)
OTHER FINANCING SOURCES (USES)										
Issuance of general obligation bonds	-	1,105,000	57,540,000	2,750,000	12,980,000	7,590,000	-	19,430,000	18,525,000	-
Payments to refund escrow	-	-	-	-	(3,352,149)	(1,258,609)	-	-	-	-
Premium on bonds issued	-	-	2,667,427	126,830	501,721	-	-	936,371	1,308,782	-
Issuance of debt - leases - SBITA	-	323,221	462,030	-	-	-	916,867	8,265	188,346	1,409,996
Proceeds from sale of capital assets	11,489	8,329	4,733	14,063	34,202	139,722	-	-	34,233	7,504,307
Premium on debt	-	-	-	-	-	-	-	-	-	-
Payments to escrow account	-	-	-	-	-	-	-	-	-	-
Insurance proceeds	55,635	42,587	85,318	339	54,689	204,688	333,830	101,125	570,301	104,786
Transfers in	4,658,149	4,218,256	4,407,859	3,030,814	3,164,277	3,912,283	3,444,213	3,753,213	3,675,904	3,579,694
Transfers out	(2,013,733)	(1,520,562)	(1,580,054)	(166,621)	(391,915)	(452,804)	(481,510)	(595,413)	(540,829)	(3,060,093)
Total other financing sources (uses)	2,711,540	4,176,831	63,587,313	5,755,425	12,990,825	10,135,280	4,213,400	23,633,561	23,761,737	9,538,690
NET CHANGED IN FUND BALANCES	$ 2,421,683	$ (712,711)	$ 61,845,264	$ 269,857	$ 10,489,223	$ (19,587,626)	$ (31,723,583)	$ 13,802,374	$ 17,785,144	$ (730,193)
Debt Service as a Percentage of Noncapital Expenditures	18.7%	17.1%	17.3%	17.7%	17.4%	15.6%	14.7%	16.8%	17.9%	17.4%

Revenue Capacity

City of Bedford, Texas **Table 5**

Tax Revenues by Source – Governmental Funds
Last Ten Fiscal Years

Fiscal Years Ended	Ad Valorem	Hotel/Motel	Franchise	Sales and Other	Total
2016	$ 15,507,727	$ 1,123,421	$ 3,432,957	$ 11,022,859	$ 31,086,964
2017	16,266,220	1,070,774	3,331,500	11,136,786	31,805,280
2018	19,452,182	954,751	3,432,589	10,936,716	34,776,238
2019	22,048,319	1,022,188	3,209,965	11,739,682	38,020,154
2020	24,416,168	729,835	2,922,138	12,201,337	40,269,478
2021	26,723,504	1,052,538	2,828,804	12,454,929	43,059,775
2022	25,398,205	1,343,965	3,046,939	15,467,501	45,256,610
2023	25,719,453	1,531,409	2,904,191	16,259,330	46,414,383
2024	27,798,175	1,435,955	2,871,114	16,667,768	48,773,012
2025	29,436,036	1,231,302	2,874,805	16,645,906	50,188,049

City of Bedford, Texas **Table 6**

Water Revenue
Last Ten Fiscal Years

Fiscal Year	Number of Customers	Gallons Billed (000's)	Water Revenue	Revenue Per Customer	Revenue Per 1,000 Gallons
2016	23,172	2,355,706	$ 12,806,549	$ 553	$ 5.44
2017	23,216	2,282,073	13,165,148	567	5.77
2018	23,225	2,445,290	14,121,583	608	5.78
2019	23,246	2,177,551	13,414,821	577	6.16
2020	23,271	2,325,519	14,507,430	623	6.24
2021	23,246	2,177,551	14,610,636	629	6.71
2022	23,270	2,591,523	16,931,085	728	6.53
2023	23,261	2,446,396	16,947,250	729	6.93
2024	23,277	2,744,768	16,739,192	719	6.10
2025	23,434	2,696,497	18,128,557	774	6.72

City of Bedford, Texas **Table 7**

Principal Water Customers
Fiscal Year ended September 30, 2025

Customer Name	Gallons Consumed (000's)	Percent Total	Amount Billed	Total Percent
Texas Health Resources-HEB Hospital	57,056	2.12%	$ 363,561	2.01%
Canopy on Central LP	24,083	0.89%	151,367	0.83%
Rise Bedford Lake	17,903	0.66%	109,293	0.60%
The Morgan Apartments	15,686	0.58%	106,811	0.59%
The Creek on Park Place	11,344	0.42%	71,692	0.40%
Arbors of Central Park Conservice	10,175	0.38%	65,031	0.36%
Copper Hills Apartments	9,370	0.35%	59,289	0.33%
The Courts of Bedford	8,116	0.30%	51,393	0.28%
Elmcroft of Bedford	7,735	0.29%	45,848	0.25%
Rise on Oak Creek	7,645	0.28%	47,698	0.26%
Top Ten Total	169,113	6.27%	$ 1,071,983	5.91%
City Total	2,696,497	100.00%	$ 18,128,557	100.00%

City of Bedford, Texas **Table 8**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Total Appraised Value	Less: Tax-exempt Property	Net Taxable Value	Total Direct Tax Rate	Estimated Net Taxable Value
2016	$ 3,359,873,966	$ 168,488,758	$ 3,528,362,724	$ 451,210,531	$ 3,077,152,193	0.4948303	$ 3,192,632,438
2017	3,683,978,396	169,722,606	3,853,701,002	463,425,828	3,390,275,174	0.4765090	3,566,086,055
2018	4,159,701,044	192,718,639	4,352,419,683	546,896,067	3,805,523,616	0.5200000	3,939,845,851
2019	4,617,406,859	215,528,570	4,832,935,429	575,776,312	4,257,159,117	0.5618620	4,315,127,332
2020	5,050,500,158	229,032,759	5,279,532,917	601,536,699	4,677,996,218	0.5690000	4,756,793,584
2021	5,063,731,689	238,824,368	5,302,556,057	615,101,320	4,687,454,737	0.5690000	4,894,309,414
2022	5,254,590,619	236,126,771	5,490,717,390	543,025,291	4,947,692,099	0.5520000	5,124,095,566
2023	5,321,375,237	222,860,659	5,544,235,896	678,612,614	4,865,623,282	0.4957260	5,715,698,269
2024	6,189,874,198	219,197,988	6,409,072,186	750,865,121	5,658,207,065	0.4957260	6,333,743,721
2025	6,507,481,616	249,390,858	6,756,872,474	814,249,124	5,942,623,350	0.4957260	6,719,501,658

Source: Tarrant Appraisal District (Reports)

City of Bedford, Texas **Table 9**

Principal Property Taxpayers
Current Year and Nine Years Ago

	2025			2016		
Taxpayer	Taxable Assessed Value		Percentage of Total City Taxable Assessed Value	Taxable Assessed Value		Percentage of Total City Taxable Assessed Value
Canopy on Central LP/Logan Al LP The	$ 187,400,000	1	2.79%			- %
CMF 15 Portfolio LLC	181,650,000	2	2.70%	91,800,000	1	2.88%
Rise Bedford LP/Rise Oak Creek LP	72,500,000	3	1.08%	-		-
Morgan Res LLC	71,900,000	4	1.07%	-		- %
TS Asset Bedford LLC	54,400,000	5	0.81%	-		- %
SPCP Bradford on Park Owner LLC	50,100,000	6	0.75%	-		- %
RH Pecan Creek Owner LLC	40,900,000	7	0.61%	-		- %
Hearti Mid-Cities Partners LP	34,600,000	8	0.51%	-		- %
Arbors 1 LLC	34,200,000	9	0.51%	-		- %
Harwood Hills 2014 LLC	33,900,000	10	0.50%	-		- %
Parc Plaza Homes, L.P.	-		- %	39,078,376	2	1.22%
WDOP Sub I & II LP	-		- %	33,938,730	3	1.06%
1611 Oak Creek Lane LP	-		- %	31,900,000	4	1.00%
Harwood Partners LLLP	-		- %	23,428,400	5	0.73%
Point Loma Woods Dallas LLC	-		- %	22,300,000	6	0.70%
Pem 121 Airport S, L.P.	-		- %	20,344,608	7	0.64%
Allmark Central Park LP	-		- %	19,500,000	8	0.61%
Oncor Electric	-		- %	19,347,900	9	0.61%
BW Pecan Creek LLC	-		- %	18,551,143	10	0.58%
Total	$ 761,550,000		11.32%	$ 320,189,157		10.03%
Total Taxable Assessed Value	$ 6,719,501,658			$ 3,192,632,438		

City of Bedford, Texas **Table 10**

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	$ 15,294,958	$ 15,244,866	99.67%	$ 18,242	$ 15,263,108	99.79%
2017	16,266,337	16,194,415	99.56%	18,080	16,212,495	99.67%
2018	19,162,258	19,052,625	99.43%	46,281	19,098,906	99.67%
2019	22,188,910	22,117,645	99.68%	69,655	22,187,300	99.99%
2020	24,417,311	24,327,917	99.63%	(23,290)	24,304,627	99.54%
2021	25,411,165	25,316,588	99.63%	24,072	25,340,660	99.72%
2022	25,639,358	25,551,687	99.66%	(60,331)	25,491,356	99.42%
2023	25,808,131	25,715,739	99.64%	30,766	25,746,505	99.76%
2024	28,017,810	27,914,296	99.63%	(43,565)	27,870,731	99.48%
2025	29,376,722	29,150,370	99.23%	(51,009)	29,099,361	99.06%

Source: Tarrant County Tax Office (YTD Summary - Part C)

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Debt Capacity

City of Bedford, Texas **Table 11**

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities						Business-Type Activities							
Fiscal Year	General Obligation Bonds	Contractual Obligations	Certificates of Obligation	Tax Notes	Leases	SBITA	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Leases	SBITA	Total Primary Government	Percentage of Personal Income	Per Capita
2016	$ 24,083,919	$ 1,882,830	$ 1,634,443	$ -	$ 221,375	$ -	$ -	$ 3,078,513	$ 41,798,385	$ -	$ -	$ 72,699,465	4.00%	$ 1,479
2017	18,809,953	1,661,852	1,452,915	885,000	370,255	-	-	2,751,261	40,459,576	-	-	66,390,812	3.64%	1,348
2018	72,728,413	1,440,873	1,266,387	670,000	517,710	-	-	9,267,684	55,900,937	-	-	141,792,004	7.59%	2,877
2019	68,611,076	1,214,894	1,074,860	3,326,830	265,288	-	-	8,763,517	58,278,838	-	-	141,535,303	7.20%	2,863
2020	75,026,130	983,915	878,332	2,601,464	44,489	-	-	9,475,089	55,146,873	-	-	144,156,292	7.14%	2,907
2021	74,291,093	747,936	4,166,804	1,811,098	2,875,947	-	-	11,177,348	50,894,908	14,282	-	145,979,416	6.91%	2,924
2022	70,080,753	506,958	3,750,000	1,225,732	2,654,682	-	-	10,139,606	49,206,960	91,347	-	137,656,038	6.44%	2,757
2023	66,241,323	255,979	23,669,552	620,366	1,513,765	850,157	-	9,099,117	48,935,310	68,805	236,819	151,491,193	6.99%	3,034
2024	62,254,557	-	42,472,940	-	822,754	798,381	-	8,013,628	49,458,561	45,791	129,048	163,995,660	7.08%	3,283
2025	58,384,441	-	40,552,546	-	550,284	1,027,219	-	6,888,139	47,543,213	25,460	248,709	155,220,011	7.07%	3,108

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Personal income and population information can be found in Table 16

City of Bedford, Texas **Table 12**

Ratio of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding: Gross Bonded Debt	Less Debt Service	Less Debt Payable from Enterprise	Net General Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2016	$ 70,595,260	$ 944,475	$ 44,876,898	$ 24,773,887	0.78%	$ 504
2017	63,473,704	973,557	43,210,837	19,289,310	0.54%	392
2018	139,163,423	1,049,549	55,900,937	82,212,937	2.09%	1,668
2019	136,594,919	1,087,072	58,278,838	77,229,009	1.96%	1,562
2020	140,526,424	1,055,347	55,146,873	84,324,204	1.77%	1,701
2021	140,530,152	1,086,090	50,894,908	88,549,154	1.81%	1,774
2022	133,177,319	1,338,327	49,206,960	82,632,032	1.61%	1,655
2023	147,945,302	446,388	48,935,310	98,563,604	1.72%	1,974
2024	162,199,686	-	49,558,561	112,641,125	1.78%	2,255
2025	153,368,339	181,985	47,543,213	105,643,141	1.57%	2,115

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Property value data can be found in Table 8
Population data can be found in Table 16

City of Bedford, Texas **Table 13**

Direct and Overlapping
Governmental Activities Debt
September 30, 2025

Taxing Jurisdiction	Taxable Assessed Value (000's) 2024/2025	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Direct and Overlapping Debt
Hurst-Euless-Bedford Independent School District	$ 20,209,029,878	$ 818,071,553	27.76%	$ 227,096,663
Tarrant County	293,570,793,653	342,840,398	2.02%	6,925,376
Tarrant County College District	322,932,187,569	569,915,000	2.02%	11,512,283
Tarrant County Hospital District	294,103,099,265	438,230,000	2.02%	8,852,246
Subtotal overlapping debt		2,169,056,951		254,386,568
City of Bedford	6,724,573,945	100,514,490	100.00%	100,514,490
Total direct and overlapping debt		$ 2,269,571,441		$ 354,901,058

Source: Debt outstanding data provided by each governmental unit or obtained from Municipal Advisory Council of Texas.

*The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

City of Bedford, Texas **Table 14**

Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Total taxable assessed value (AV)	Debt limit 2.5% of Assessed Value (AV)	Total Net Debt Applicable to the Limit	Legal Debt Margin	Total net debt applicable to the limit as a % of Taxable AV	% of Debt Limit Available
2016	$ 3,077,152,193	$ 76,928,805	$ 72,478,091	$ 4,450,714	2.4%	5.8%
2017	3,390,275,174	84,756,879	66,020,556	18,736,323	1.9%	22.1%
2018	3,805,523,616	95,138,090	72,728,413	22,409,677	1.9%	23.6%
2019	4,257,159,117	106,428,978	68,477,704	37,951,274	1.6%	35.7%
2020	4,677,996,218	116,949,905	75,026,130	41,923,776	1.6%	35.8%
2021	4,687,454,737	117,186,368	74,291,093	42,895,275	1.6%	36.6%
2022	4,947,692,099	123,692,302	70,080,753	53,611,549	1.4%	43.3%
2023	4,865,653,282	121,640,582	66,241,323	55,399,259	1.4%	45.5%
2024	5,658,207,065	141,455,177	62,254,557	79,200,620	1.1%	56.0%
2025	5,942,623,350	148,565,584	58,384,441	90,181,143	1.0%	60.7%

***Note:** The City Charter of the City of Bedford, Texas and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article I Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population limits the ad valorem tax rate to $2.50 per $100 o assessed valuation.

City of Bedford, Texas **Table 15**

Pledged Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds							
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Revenue Bond Coverage	Average Annual Debt Service	Average Requirements
				Principal	Interest			
2016	$ 20,267,092	$ 14,853,564	$ 5,413,528	$ -	$ -	$ -	$ -	$ -
2017	20,995,798	15,753,352	5,242,446	-	-	-	-	-
2018	22,528,121	15,832,882	6,695,239	-	-	-	-	-
2019	22,243,765	16,531,568	5,712,197	-	-	-	-	-
2020	23,381,490	16,274,933	7,106,557	-	-	-	-	-
2021	26,840,386	17,232,040	9,608,346	-	-	-	-	-
2022	26,430,327	17,534,072	8,896,255	-	-	-	-	-
2023	26,840,386	17,222,143	9,618,243	-	-	-	-	-
2024	27,664,498	20,068,415	7,596,083	-	-	-	-	-
2025	30,101,605	22,433,809	7,667,796	-	-	-	-	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest, depreciation, or amortization expenses.

Demographic and Economic Information

City of Bedford, Texas **Table 16**

Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	(000's) Personal Income	Per Capita Personal Income	Average Household Income	Median Age	School Enrollment	Unemployment Rate
2016	49,151	$ 1,819,154	$ 37,001	$ 82,240	41	22,762	3.6%
2017	49,234	1,824,415	37,056	82,321	41	23,090	3.2%
2018	49,282	1,869,217	37,929	83,807	42	23,578	3.3%
2019	49,428	1,964,714	39,749	87,623	42	23,707	3.2%
2020	49,582	2,018,880	40,718	89,476	42	23,707	7.7%
2021	49,928	2,111,904	42,299	92,977	42	23,015	5.8%
2022	49,924	2,137,646	42,818	94,103	42	22,971	3.3%
2023	49,927	2,167,481	43,413	95,563	42	23,105	3.4%
2024	49,941	2,316,713	46,389	100,663	42	23,092	3.7%
2025	49,941	2,194,557	43,943	102,818	38	23,183	4.2%

Sources: Population: North Central Texas Council of Governments (NCTCOG) 2025 City Population Estimates
Per Capita Personal Income and Average Household Income: U.S. Census
Median Age: Texas - Demographics
School Enrollment: Hurst-Euless-Bedford ISD Quick Facts 2024-2025
Unemployment Rate: Texas Labor Market Information (TWC), Local Area Unemployment Statistics (LAUS)

City of Bedford, Texas **Table 17**

Principal Employers
Current Year and Nine Years Ago

	2025		2016	
Employer	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Texas Health Resources HEB	1,480	4.59%	1,600	5.48%
Carter BloodCare	961	2.98%	856	2.93%
HEB ISD (Admin Offices/Bedford Campuses)	796	2.47%	282	0.97%
State National Companies	559	1.73%	315	1.08%
Warrantech/Amynta Group	-	0.00%	412	1.41%
Walmart Supercenter	415	1.29%	413	1.41%
City of Bedford	357	1.11%	359	1.23%
Daystar Television Network	296	0.92%	266	0.91%
The Beryl Companies			365	1.25%
Grubb's Nissan			135	0.46%
Bedford Wellness & Rehab	150	0.46%	-	0.00%
Kroger Foods, Inc.	101	0.31%	-	0.00%
LINQ Transportation & Logistics	90	0.28%	-	0.00%
Albertson's	89	0.28%	-	0.00%
Total City Employment	32,269	16.41%	29,210	17.13%

Sources:

City of Bedford, Economic Development Department - Demographics Data

City of Bedford, Texas **Table 18**

Direct and Overlapping Tax Rates
Last Ten Fiscal Years

	City Direct Rates			Overlapping Rates			
Fiscal Year	Operating / General Rate	General Obligation Debt Service	Total Direct Rate	Hurst-Euless-Bedford ISD	Tarrant County	Tarrant County Hospital District	Tarrant County Community College
2016	0.299332	0.195498	0.494830	1.3500	0.2640	0.2279	0.1495
2017	0.303747	0.172762	0.476509	1.3160	0.2540	0.2279	0.1447
2018	0.340560	0.179440	0.520000	1.2630	0.2440	0.2244	0.1401
2019	0.344135	0.217727	0.561862	1.2730	0.2340	0.2244	0.1361
2020	0.384633	0.184367	0.569000	1.1980	0.2340	0.2244	0.1302
2021	0.386990	0.165010	0.552000	1.1608	0.2290	0.2244	0.1302
2022	0.386990	0.165010	0.552000	1.1098	0.2240	0.2244	0.1302
2023	0.367497	0.128229	0.495726	0.9211	0.1945	0.1945	0.1122
2024	0.351831	0.143895	0.495726	0.9689	0.1875	0.1825	0.1122
2025	0.357859	0.137867	0.495726	1.0289	0.1862	0.1650	0.1123

Sources: City of Bedford Budget Office, Tarrant Appraisal District

Operating Information

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City of Bedford, Texas **Table 19**

Full-time Equivalent City Governmental Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Management and Communication	9.5	9.5	9.5	9.5	10.5	11.5	12.0	11.5	11.5	11.7
Finance	11.5	11.5	11.5	11.5	12.5	14.0	8.0	8.0	8.0	8.0
Municipal Court and Teen Court	10.0	10.0	10.0	10.0	8.0	8.0	7.5	5.0 3.0	5.0 2.0	5.0 2.0
Customer Service	-	-	-	-	-	-	-	6.0	5.0	5.0
Development and Planning	6.0	6.0	13.0	13.0	19.0	17.0	16.0	17.0	12.0	12.0
Library	19.5	19.5	19.5	19.5	19.5	19.5	18.0	21.8	21.0	21.0
Support Services	22.0	23.0	18.0	18.0	18.0	18.0	17.0	19.0	19.0	19.0
Police										
Officers	81.0	80.0	80.0	81.0	81.0	72.0	77.0	81.0	80.0	78.0
Civilians	57.0	56.0	59.0	59.0	72.0	37.0	48.0	35.0	31.0	35.0
Animal Control	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0
Fire										
Firefighters and Officers	63.0	63.0	63.0	66.0	66.0	69.0	69.0	70.0	69.0	61.0
Civilians	10.0	10.0	3.0	3.0	6.0	3.0	3.0	2.5	3.5	2.0
Parks and Recreation										
Management and Communication	2.0	2.0	2.0	2.0	-	-	-	3.0	3.0	2.0
Parks and Recreation	39.1	39.4	38.9	39.8	40.8	44.3	32.1	40.6	25.0	21.7
Senior Citizens Center	3.5	3.5	3.5	3.5	3.5	3.5	-	-	5.0	5.5
Tourism and Special Events	6.0	6.0	6.5	6.5	4.5	5.5	5.5	3.5	2.0	2.0
Public works										
Administration	-	-	-	-	-	-	-	4.0	3.0	4.0
Engineering	8.0	8.0	8.0	8.0	8.0	6.0	5.0	6.0	6.0	6.0
Water	13.3	14.3	14.3	14.3	14.3	14.0	14.0	13.3	15.5	15.0
Wastewater	7.5	7.5	7.5	7.5	7.0	6.0	7.5	7.5	8.5	8.0
Stormwater	6.0	6.0	6.0	6.0	6.0	5.0	6.0	6.0	6.0	6.0
Streets	10.0	10.0	10.0	10.0	10.0	6.0	10.0	10.0	10.0	10.0
*Fleet Maintenance	-	-	5.0	5.0	5.0	4.0	5.0	5.0	5.0	5.0
Total	390.8	391.2	394.2	399.1	417.6	368.3	365.6	383.7	361.0	350.0

Source: City Finance - Position Control Report

*2016 - Fleet Maintenance moved from Public Works to Support Services (5.0 FTE)

*2017 - Inspections moved from Fire Department to Development and Planning (7.0 FTE)

City of Bedford, Texas **Table 20**

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program by Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Inspections										
Residential & Commercial Permits Issued	650	843	625	802	760	851	2,256	2,341	4,335	2,873
Estimated Value	29,813,302	52,625,480	36,744,807	31,099,840	112,105,644	39,969,628	74,021,728	76,284,013	114,344,525	934,821
Police										
Physical Arrests	1,992	2,275	2,267	2,632	1,667	1,775	1,958	2,107	1,602	1,574
Parking Violations	229	108	115	111	153	133	299	210	112	105
Traffic Violations	10,898	12,512	13,765	9,121	5,641	6,032	11,338	11,389	7,533	5,278
Fire										
Emergency Responses	8,431	8,070	8,857	9,028	8,672	9,791	7,366	7,085	7,322	7,834
Patients Transported	3,118	3,000	3,396	3,435	3,381	3,640	5,682	3,995	3,976	4,211
Fires Extinguished	115	90	142	96	105	117	180	112	114	122
Inspections	3,366	3,050	3,210	3,190	2,650	2,735	3,006	3,030	3,465	3,472
Culture and Recreation										
Parks and Recreation:										
Athletic League Spring Team	-	-	-	12.00	13	13	-		-	-
Athletic League Fall Team	-	-	-	8.00	-	-	-		-	-
Community Center Registration	4,483	3,994	3,220	3,652	4,024	4,024	431		13,013	16,121
Annual Recreation Revenue	511,242	489,555	420,446	452,693	69,733	-	132,426	51,466	251,459	307,189
Library										
Population Service	49,151	49,234	49,234	49,330	49,330	48,810	49,912	47,978	49,941	49,941
Number of Library Visits	219,543	214,899	178,866	190,788	106,200	107,035	119,996	133,635	186,390	168,498
Volumes in Collection	149,071	143,007	118,978	149,263	112,639	111,101	111,107	112,631	112,808	135,874
Total Volumes Borrowed	545,126	632,599	601,086	623,042	419,262	405,965	407,790	422,876	440,066	439,717
Turnover Rate	3	4	5	4	3	3	4	4	4	4
Total Operating Expenditures	1,457,919	1,487,263	1,538,473	1,538,473	1,347,721	1,477,687	1,632,319	1,739,045	2,041,670	2,087,865
Cost Per Population Served	30	30	31	31	27	30	33	35	41	42
Total Paid Staff (FTE)	19	19	19	19	19	19	19	19	21	21
Public Works										
Street Repair - Asphalt sq. yard	60,935	37,977	90,446	49,616	104,571	49,930	639,537	32,720	77,024	59,557
Street Repair - Concrete sq. yard	19,623	3,524	-	11,982.00	4,221	4,550	8,638	5,317	6,600	1,038
Sidewalk Installation/Repairs - sq. feet	9,255	1,383	9,135	17,532	7,092	9,596	4,647	2,988	3,400	3,771
Water and Sewer										
New Connections - Water	57	44	7	10	1	(33)	10	51	15	37
New Connections - Sewer	63	49	8	16	3	(46)	26	103	15	37

Source: Various City Departments

City of Bedford, Texas **Table 21**

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	17	22	22	21	21	30	31	27	27	27
Other Units: CID-SWAT-PSO	65	77	76	76	68	48	46	47	51	55
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Fire Equipment Units	5	5	5	5	5	5	5	5	5	5
EMS Units	5	5	5	5	5	5	5	6	6	6
Other Units	11	11	11	11	11	11	11	11	11	11
Regional Grant Units - Homeland Security	2	2	2	2	2	2	2	2	2	2
Other Public Works										
Streets (Miles)	456	460	460	460	460	460	460	460	461	169
Streetlights	1,751	1,753	1,753	1,753	1,753	1,753	1,753	1,753	1,758	1,792
Traffic Signals	26	26	25	26	27	27	27	27	27	27
Parks and Recreation										
Park Acreage	155	155	140	140	145	152	152	152	152	152
Playgrounds	16	16	16	16	16	16	16	16	16	16
Swimming Pools	4	4	4	4	1	1	3	3	3	3
Soccer/Baseball/Softball Fields	11	11	11	11	6	6	9	9	9	9
Community Centers	3	3	1	1	1	-	1	1	2	2
Water										
Water Mains (Miles)	167	192	192	192	192	192	192	192	194	212
Fire Hydrants[a]	1,802	1,818	1,818	1,818	1,830	1,830	1,831	1,833	1,863	1,607
Storage Capacity										
(Elevated Storage - 5 million gallons)	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,250	5,000
Stormwater										
Storm Sewers (Miles)	173	198	198	198	198	198	198	198	199	74

Source: Various City Departments